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Frustration at IMF With Rate Policies

By Paul F. Horvitz International Herald Tribune WASHINGTON — Voicing deep frustration over the interest rate gap between Germany and the United States, Spain's finance minister called Monday for stronger global economic coordination to ease "the benign neglect" of the United States and the tight-money policies of the Bundesbank.

Interim Committee, was joined by another IMF official, Michel Camdessus, in urging immediate efforts by the rich industrialized nations to trim their budget deficits. "The financial markets of the industrial countries in Europe," Mr. Solchaga said, "cannot accept the benign neglect of the United States nor the monetarism of the Bundesbank."

His comments, which came during the annual meetings of the IMF and the World Bank, appeared to reflect continuing concern that fundamental issues in the global economy, including a lack of strong policy coordination among the richest nations, are frustrating economic growth. He said some leaders "are not taking action which is as great as one would like" in the area of coordination.

EC Leaders Vow Unity, Charting Separate Paths

Pressure Mounts on The Franc

By Carl Gewirtz International Herald Tribune PARIS — The pound tumbled Monday and the French franc weakened in agitated markets as traders probed to see whether Germany, which abandoned the pound and the lira to their fate last week, would act to protect the franc.

By Tom Redburn International Herald Tribune PARIS — European Community leaders insisted Monday that French approval of the Maastricht treaty would help salvage the dream of economic and political unity, but their varying reactions to the narrow vote showed Western Europe already splitting into at least two different groups.

Foreign Secretary Douglas Hurd of Britain drew up an initial communiqué, but both British and Dutch officials said it had been rejected as too long-winded. "The whole communiqué was not accepted," a Dutch Foreign Ministry official said. "The language was too vague."



At the Paris Bourse on Monday after France approved the Maastricht pact, a stock exchange employee emphatically placed an order.

Sweden reduces a key lending rate to 50 from 500 percent. Page 11.

The currency to the European exchange rate grid by Tuesday. Dealers described trading in the franc as very volatile, necessitating substantial intervention by the Bank of France. One private banker, estimating the central bank had spent 25 billion Deutsche marks (\$16.9 billion) supporting the franc last week, warned: "It can't go on interlocking like that."

But Prime Minister John Major of Britain, who called a special summit meeting of EC leaders to be held next month, said Europeans should pause for a "profound look at where Europe is going" that would re-examine the road toward greater power-sharing that the Community has been following.

But even that led to a dispute. Dutch officials accused Britain of misrepresenting EC views on the treaty and of seeking to slow down the process of union. Britain rejected the charges but said it was not willing to be drawn into setting deadlines for the final ratification.

German leaders were putting the best face on the lukewarm French vote. Page 2. Britain's prime minister urges a full re-evaluation of the Maastricht treaty. Page 2.

economic divisions that were likely to shape the future of Europe for years to come. "The all-embracing, fixed-rate monetary system that has been operating in recent years has been shown not to be a stable system," said Richard Portes, director of the Center for Economic Policy Research in London. "As a result, a restricted group of nations is now likely to go forward under the domination of German monetary policy, while the others will be left behind to catch up when and if they can."

Bush Backs UN Peacekeeping, but Offers Little Help

By Thomas L. Friedman New York Times Service UNITED NATIONS, New York — President George Bush told United Nations members Monday that Washington was ready to support a greatly expanded role for United Nations peacekeeping missions and to adapt the American military to better assist in such operations.

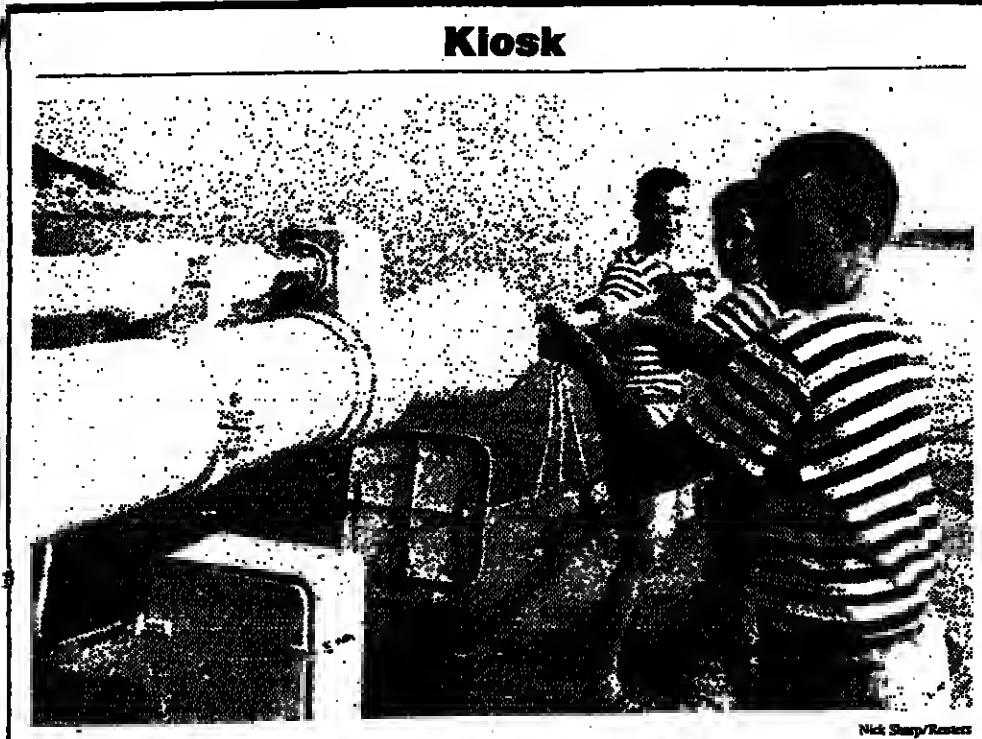
tasks, or agree to pay up the full \$733 million in arrears that Washington still owes the international organization, or accept Secretary-General Boutros Ghali's suggestion that all members put certain troops on constant standby for any emergency peacekeeping needs.

philosophy of the administration in this election season, which could best be described as diplomacy without dollars — getting the maximum amount of credit for adapting to the challenges of the post-Cold War world without having to ask voters to spend any new money or risk American lives.

ment and the Arms Control and Disarmament Agency. AID would be recast to better help the newly emerging democracies in former Communist lands move to free markets. The disarmament agency, which used to focus on Soviet-American arms control, would be altered to concentrate on limiting missile proliferation.

balance between political parties, the conservative opposition remains positioned to win a large majority in parliamentary elections in March and form a new government.

tion in the Socialist position, running against Mr. Mitterrand and his Socialist chiefdoms in many traditional party bastions, including industrial areas in northern France as well as in the largely rural but usually left-leaning south, including Marseille.



SHAPING UP — Sailors in the Yugoslav Navy cleaning a gun Monday at their base near a disputed province on the border between Croatia and Montenegro. Leaders of the country's warring factions pulled out of talks in Geneva, leaving negotiations to lower-level aides. Page 4.

Relief Agencies in Africa: Corrupting and Corrupted

By Keith B. Richburg Washington Post Service LIBORI REFUGEE CAMP, Kenya — A long row of graves behind a makeshift field hospital in a corner of this dry and desolate camp marks the human cost of United Nations mismanagement.

The UN Empire Second of a series mali refugee, as he recalled the names of former high school classmates buried there in January.

About 500 kilometers (300 miles) away, at the Dolo refugee camp in southern Ethiopia, conditions were even worse. Somali refugees there died at a rate of 50 a day from January until April as food aid from the High Commissioner was diverted to private marketers — and UN agencies, Ethiopian party officials and Somali clan leaders did virtually nothing to stop it.

He remains a strong card — control over the French political calendar, with the power to call early elections for parliament or for the presidency. But political observers, impressed by Mr. Mitterrand's tenacity and his zest for his job, expect that he will resist pressures to move up the elections unless his hand is forced by health problems.

Instead, the vote revealed further decomposition. The daily Le Monde, for example, described the outcome as a "yes" mainly from better-off urban voters and a "no" from rural and industrial communities that feel threatened by more intense European competition.

Now that the referendum is over, political leaders are scrambling to regain control of their troops and restore the party discipline that was suspended, in many cases, for the vote on Europe.

The big question is more open than ever: Who will emerge at the apex of power when Mr. See FRANCE, Page 2

Paisley Boycotts Talks in Dublin

DUBLIN (AP) — Negotiations on the future of Northern Ireland shifted to Dublin on Monday, the first time in 70 years that Protestant unionist leaders had come to the republic's capital for talks.

Table with market data: Dow Jones Down 6.22, Trib Index Unch. 93.97, The Dollar New York 1.4835, DM 1.4835, Pound 1.708, Yen 128.70, FF 5.068.

Kitsch and the Market Merge on Moscow's Arbat

By Steven Erlanger New York Times Service MOSCOW — The Arbat, Moscow's long pedestrian mall, is Russia's capital of kitsch, but amid the drab scattered treasures and a glimpse of how the new market economy, balbe-ridden, actually functions.

In the market for a Soviet colonel general's dress uniform with the trimmings? Bought from a needy widow, it can be yours for 10,000 rubles (\$49), subject to bargaining. The seller, Dmitri, said the widow, if she were lucky, got 2,000 rubles.

Soldiers' greatcoats are common, only \$15, and ordinary winter hats, of fake fur, \$7. Officers' winter hats, of gray rabbit, are \$15. A MiG pilot's helmet is \$120 with oxygen mask, \$100 without.

"Some officers bring these uniforms themselves," Mr. Sarokin said. "But mainly it's their wives." Unsurprisingly here, where tour buses come, he sells almost exclusively to foreigners, especially young Americans.

General News A political payoff scandal moves into a Tokyo court. Page 4. Business/Finance Primavera will pump cash into travelers, the insurer. Page 11. Crossword Weather Page 10. Page 2.

AFTER THE REFERENDUM: Bonn and London rethink the new Europe.

Germans Make the Best of Lukewarm French Vote

By Marc Fisher

BERLIN — The agitation in Germany triggered by the narrow French decision on the Maastricht treaty was hidden only by a thin screen of official statements welcoming the vote as an endorsement of European unification.

from close aides to go on national television to speak about the psychological gap between Eastern and Western Germans and about the country's recent wave of anti-immigrant violence.

But he spoke on television only a few hours after the results of France's referendum on the Treaty on European Union were made official. He urged Germans to stick with the idea of European unity and assured the country that it would retain its identity.

Government sources said that Germany, long the most avid advocate of the Maastricht treaty, will now push for an addendum to the pact that would spell out the rights of each European country to protect itself against the EC executive in Brussels. That would be an attempt to prove to Germans

and other Europeans skeptical about union that their countries will not cede all power to a central bureaucracy.

"This is something that could send a signal, a message that we want a Europe of regions, fully preserving national identities," Mr. Vogel said. His comment foreshadows a new German rhetoric on unification considerably different from decades of German policy emphasizing the suppression of national identity to a single European sensibility.

The changes to the treaty are also intended to lure Denmark, whose voters rejected the pact in June, back into the EC fold, officials said.

Throughout the Bonn bureaucracy, officials seem more resigned than ever to a Europe that falls far short of the politically unified unity that Mr. Kohl has long advo-

ated. Various officials privately pronounced some aspects of European union to be dead or critically wounded. These include proposals for a single currency for the 12 member nations, a common foreign and defense policy, and a broadening of the powers of the European Parliament.

The Kohl government continued to resist ever-louder public demands for a referendum on the Maastricht treaty.

Kohl sides were embarrassed to learn that the chancellor's own supporters appear to be the Germans most likely to be wary of European union. A survey by RTL television found that although 52 percent of voters aligned with the opposition Social Democratic Party favor the Maastricht treaty, only 39 percent of voters from Mr. Kohl's Christian Democratic Union favor extended European integration.

EC Nearer, Say Swedes And Finns

Compiled by Our Staff From Dispatches

STOCKHOLM — Swedish and Finnish leaders said Monday that France's favorable vote on the Maastricht treaty would improve chances for a quick entry by the two into the European Community.

"France's 'yes' increases the possibilities for a Swedish membership in the EC by 1995," said the European affairs minister, Ulf Dinkelspiel. Mr. Dinkelspiel told a pro-EC rally that monetary union would encompass only a limited number of EC members until at least the year 2000 but that Sweden would be one of those countries.

"I believe a limited number of countries, including Sweden, will build a monetary union before the end of the century," he said.

The Social Democratic opposition, which launched Sweden's EC membership drive when it was still in power in 1990 but now faces internal dissension on the issue, also welcomed the vote. But it cautioned political leaders to heed the slim margin of victory.

"It's a signal to everyone within and outside the EC to seek public support," said Gunnar Stenarv, a Social Democratic political adviser.

Sweden is expected to hold a referendum on EC membership in 1994, and opinion polls in the summer have shown the public closely divided over joining.

In Helsinki, an official said the narrowness of the French approval of the treaty would not affect Finland's plans to join the Community.

"From a Finnish point of view, we would have preferred a more clear-cut result," said Trade Minister Pertti Salo-

lainen. "But as this is, after all, a 'yes' vote, then as far as European expansion talks are concerned, it is a positive result, and I sincerely hope that next year we will be able to engage in official talks."

Finland also has applied to join the European Community and hopes to be a member by 1995. Officials feared that opposition to the Treaty on European Union in France might delay EC negotiations with prospective members.

"This result will facilitate the negotiations about expanding the Community," Prime Minister Esko Aho said in a statement. "Thus, it can be considered to be positive to our point of view."

In Oslo, Prime Minister Gro Harlem Brundtland said her plans to apply for membership if her Labor Party votes "yes" at a congress in November were unaffected by the French vote. (Reuters, AFP)

Estonia Faces Presidential Runoff

TALLINN, Estonia (AP) — Estonians gave Arnold F. Ruutel, their current leader, a wide lead in the independent Baltic nation's first national elections but it was apparently not enough to avoid a presidential runoff.

Preliminary results also gave a center-right coalition a slim lead in contests for control of parliament, possibly heralding a faster pace of economic change for the former Soviet republic. Although the current leadership led the nation to independence, it contained many former Communist Party members, including Mr. Ruutel.

Estonia's new parliament will select a president from among the top two finishers if no candidate gets more than 50 percent of the vote. With more than half the voters counted, Mr. Ruutel had 43.1 percent. Lemart Meri, the former foreign minister, was second with 29.5 percent.

Pakistani Guards Arrive in Somalia

MOGADISHU, Somalia (Reuters) — Pakistani troops with armored cars rolled off U.S. transport planes in Mogadishu on Monday as a weeklong airlift of United Nations troops to guard Somali famine relief operations got under way.

A U.S. official said 46 men and tons of hardware were expected to arrive on three giant C-141 aircraft by the end of the day. Sixty of the 500 troops sent to Somalia arrived earlier this month. The planes unloaded at Mogadishu's military airport, far from the gangs of Somali gunmen who roam the vandalized civilian terminal.

At dawn a dozen military staff from a four-ship U.S. Navy amphibious task force offshore were sent by helicopter to the ruined city to help with communications. The airport's control tower has been gutted by looters. Washington says the force of 2,100 Marines was on its way to Singapore from the Gulf when it was diverted for the operation, and will help guide the aircraft and be on hand for medical treatment and any search-and-rescue operations.

29 Are Missing in Malacca Collision

JAKARTA (Reuters) — A Belgian ship and an Indonesian oil tanker, both still ablaze and sending a huge oil slick into the Strait of Malacca, an Indonesian official said Monday.

An official in the north Sumatran city of Medan said an Indonesian naval airplane had flown over the wreckage and reported the 96,000-ton Liberian-registered Nagaaki Spirit and the 27,000-ton Panamanian-registered container ship Ocean Blesing were still ablaze. The tanker was carrying 40,000 tons of crude oil from Saudi Arabia to Brunei.

Following the collision Sunday, Indonesia renewed its objection to plans by Japan to ship weapons-grade plutonium through the strait later this month.

Belgians Win Atlantic Balloon Race

ROTTERDAM, Netherlands (AP) — A Belgian team won the first trans-Atlantic balloon race early Monday and then landed in a Spanish village after nearly five days aloft and a journey of more than 2,500 miles. Willem Verstraeten and Bertrand Picard were the first to reach Europe out of a field of five balloons that left Bangor, Maine, on Wednesday.

The British team landed later in the day on a sandy beach in Portugal after drifting just off the coast for several hours. That left only the Americans, Troy Bradley and Richard Abruzzo, aloft. The Dutch and German teams ditched their crafts in the sea.

The American team was drifting eastward about 350 miles (563 kilometers) from Morocco and was due to reach the coast at about midnight. They would be the first balloonists to make the North America-to-Africa crossing.

For the Record

Robert S. Strauss confirmed Monday that he will leave his post as U.S. ambassador to Moscow after the November election. (AP)

TRAVEL UPDATE

Pollution Fouls Water at Yosemite

YOSEMITE NATIONAL PARK, California (NYT) — Environmentalists have long complained about commercialism and overcrowding in this jewel of the National Park system. But the truth may be worse: Soil and water under the park are polluted with toxic chemicals that have leaked from underground fuel tanks for decades.

Workers are cleaning up 38 sites polluted with chemicals from heating fuel, gasoline, diesel fuel and solvents like paint thinner. State and National Park Service officials say the pollution is far above the 300-foot-deep (90-meter) water used for drinking water and is in areas either paved over or fenced off from public use.

But it will come as a surprise to park visitors seeking refuge from urban life in this land of soaring granite walls. Visitors have already bemoaned this summer, when, for the first time, the park service banned daytime campfires in Yosemite Valley because of growing air pollution.

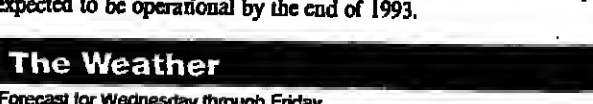
At least two international flights were turned back from the Philippines on Monday because of heavy volcanic ash in the atmosphere. Heavy rains from a tropical storm triggered explosions in superheated debris that Mount Pinatubo spewed out during a June 1991 eruption. The resulting ash cloud rose 11 miles (18 kilometers) into the sky, blocked out the sun and plunged the area near the volcano into darkness at 11 A.M. (AP)

An outbreak of cholera in the central Moroccan city of Meknes was reported Monday by the Health Ministry. A ministry spokesman said the number of cases was not yet known, but that there were no reports of deaths and the outbreak was not of epidemic proportions. (Reuters)

The Channel Tunnel will have more than 50 percent of the people crossing the Channel between Britain and France by 1994, Eurotunnel officials said Monday. The tunnel linking Calais and Folkestone by rail is expected to be operational by the end of 1993. (AP)

The Weather

Forecast for Wednesday through Friday



North America: Sunny, but cool weather will be the rule late this week. From Boston through New York City and Washington, D.C., showers will be in the forecast each day from Wednesday through Friday. Mild while south carries on. Europe is warm with a few scattered showers.

Europe: Wednesday and Thursday will be windy with rain throughout much of Britain, including London. A few showers will reach Paris. Munich and Amsterdam. Berlin will remain dry and mild while south carries on. Europe is warm with a few scattered showers.

Asia: Typhoon Ted will hit southeastern China Wednesday. Strong winds are possible in Shanghai, Hong Kong and Taiwan. Showers will be in the forecast in southern Japan and southern Korea at midweek. Seoul may be rainy Thursday. Tokyo will be sunny.

Table with columns for Region, City, Today, Tomorrow, High, Low, Wind, etc.

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Legend: sunny, partly sunny, cloudy, showers, thunderstorms, snow, sleet, fog, haze, etc.

Major Urges a Virtual Re-evaluation of the Treaty

By Eugene Robinson

Washington Post Service

LONDON — Prime Minister John Major called Monday for what amounts to a re-evaluation of the Treaty on European Union, which was left barely alive by Sunday's referendum in France, saying that European leaders must "take a profound look at where Europe is going" and set "a course which can command majority support."

Mr. Major's glowing assessment of the future of the pact came amid clear indications that he probably could not push the treaty through the British Parliament — a moot point, for now, since Mr. Major has decided not to even try.

That result of the French referendum left the treaty on the political equivalent of life-support, and Mr. Major with a growing revolt among members of his own Conservative Party.

Faced with that reality, Mr. Major indicated that he would use a meeting of European Community leaders in London next month to try to persuade others, especially Chancellor Helmut Kohl, observers said, to take another look at the treaty.

In an article published in the Evening Standard, an afternoon tabloid, Mr. Major wrote that "all of our European partners need to reflect on the consequences" of the close vote in France.

He wrote that since even the French, usually strong supporters of European union, had shown "serious doubts" about the treaty, his government would use its remaining three months in the EC's rotating presidency "to ensure that the Community listens and sets a course which can command majority support in all our countries."

Despite the talk of majority support, however, Mr. Major's government continued to rule out the pos-

sibility of a referendum in Britain on the treaty.

Foreign Secretary Douglas Hurd said in New York that the decision would be made "as far as Britain is concerned" in the British Parliament.

While leaders of the major British parties are committed to European integration and to the Maastricht treaty, rank-and-file legislators are much more skeptical.

Mr. Major wrote that he would not submit the treaty to Parliament for ratification until Denmark's position was clarified, Danish voters rejected the pact by a narrow margin earlier this year, but backers of European union have held

out the hope of reversing that decision.

Regardless of what Denmark does, however, Mr. Major faces opposition within his own Conservative Party, which always has been skeptical about European union.

Even Mr. Major's close supporters say that as things now stand, he cannot get the treaty approved.

The Labor Party leader, John Smith, also supports the treaty, but faces his own rebellion.

"I think Mr. Major should now acknowledge that the treaty is dead," said Bryan Gould, a Labor member of Parliament. "We must make a fresh start in Europe," he added.

The bashing that the British pound suffered in last week's chaos

on the currency exchanges — it fell even further Monday against the Deutsche mark — has made British public opinion even more wary of European integration.

Mr. Major tried frantically to support the pound's value before finally being forced to withdraw from the exchange rate mechanism, a system of parities that is supposed to pave the way for a single European currency by the end of the decade.

Mr. Major made it clear Monday that despite his comments last week, it would be some time before Britain rejoined the ERM.

"We shall not go back into the system until the laws have been put right," he wrote in his newspaper article. "We cannot return to

the ERM until it has been reformed."

Mr. Major wrote that the monetary turmoil "made our partners' goal of a single currency by the end of the decade look even less realistic than I believed it to be."

In the negotiations that produced the Maastricht pact, Britain won a special provision allowing it to avoid the requirements on a single currency if officials choose to do so.

Mr. Major described the drawn-out Maastricht treaty talks as "bloody," and officials were looking for a way to proceed without having to start again from scratch.

One option would be to leave the central text of the treaty unchanged and agree on a set of amendments and codicils to satisfy doubters.



The British foreign secretary, Douglas Hurd, presiding at a meeting of EC foreign ministers at the United Nations on Monday.

EUROPE: Leaders Chart Separate Paths but Pledge to Work for Unity

(Continued from page 1)

continue to participate in the common European market but without accepting the economic policy restrictions necessary to take advantage of currency stability.

"Initially we'll see a two-lane, a two-track Europe," said Hans Jurg Rudolph, chairman of Credit Suisse First Boston in London. He said it would be driven by Germany at the head of a "hard currency community."

Southern European countries, such as Italy, Greece, Spain and

Portugal, "will try to get into it," Mr. Rudolph said, while "the U.K., if they're not careful, will be sidelined."

Such a stark economic division leaves many advocates of a united Europe profoundly uneasy.

"I cannot think in terms of two speeds," Finance Minister Michel Sapin of France said in Washington, where he is attending the annual meeting of the International Monetary Fund and the World Bank. "The European Monetary

System derives its strength from the fact that it is one system."

But Mr. Sapin acknowledged that he had no idea when, or even if, Britain and Italy would rejoin the exchange rate system that propped up their currencies until last week.

Meanwhile, President Helmut Schlesinger of the Bundesbank, also in Washington, said it was up to the British to go through "some serious rethinking of their situation before they can even think of coming back in" to the exchange rate

mechanism. British officials have said, by contrast, that the pound's re-entry depends on substantial German policy changes.

Following the usual pattern in EC family crises, both Germany and France rushed to comfort each other. The session Tuesday between Mr. Kohl and Mr. Mitterrand will be the first face-to-face meeting of European leaders since the French referendum squeaked through.

The British are not being shut out by the French and Germans despite heightened tensions between London and Bonn over the Bundesbank's actions last week.

Mr. Major spoke by telephone Monday morning with Mr. Kohl, officials said, and the French were unusually open in their discussions with British diplomats during and after Sunday's referendum.

Despite the setbacks, the Maastricht road map remains the best guide to the Community's future, several EC officials said.

Instead, Mr. Chirac rallied, awkwardly, to a "yes" vote, insisting along with Mr. Giscard d'Estaing that conservatives should not be drawn by the dislike of Mr. Mitterrand to a conservative, whereas Mr. Chirac, the president, should stand firm against economic stagnation ward down the opposition if, as expected, they take control of day-to-day government early next year.

Tactically, the vote on European unity promised to drive a wedge in the conservative opposition between Jacques Chirac's Gaullists, with their ambivalence about any dilution of French sovereignty, and their center-right allies, led by Valéry Giscard d'Estaing, who are heirs to a rival tradition of enthusiasm for wider Western alliances.

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AMERICANS ABROAD REGISTER TO VOTE NOW. IT WILL SOON BE TOO LATE. DEMOCRATS ABROAD. VOTE FOR CHANGE OR LET US RUMBLE.

Advertisement for The St. Regis New York, featuring a photograph of the hotel's grand entrance and the text "Some seek the finer things in life. Others simply ask the butler."

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Vertical sidebar containing various news snippets and advertisements, including "Who Jun", "Fugitive", and "Quote-Unquote".

Japan's Cash Payoff Scandal Goes to Trial

By T.R. Reid

Washington Post Service

TOKYO — The businessman who is said to have passed envelopes, briefcases, shopping bags and, once, even a grocery cart full of illicit cash to top politicians will go on trial Tuesday in a legal spectacle that could blossom into the largest political scandal that Japan has ever seen.

The businessman, Hiroyasu Watanabe, former president of an express delivery company called Sagawa Kyubin, will face charges in Tokyo District Court of having used corporate money for personal gain and to win favor both with powerful politicians and powerful gangsters.

News disclosures, evidently coming from the prosecutors, say that Mr. Watanabe handed out more than \$17 million in illegal gifts to a star-studded cast of government officials, possibly including three former prime ministers and several current cabinet members.

Mr. Watanabe's trial should last a month or so, with a possibility of new revelations at any time that could damage politicians.

Since most of the people who got the secret Sagawa cash are members of Japan's dominant Liberal Democratic Party, the scandal could severely hamper the party's ability to govern.

While this first Sagawa scandal trial is getting under way, the most important confessed recipient of the illegal cash continues to play a high-stakes game of cat-and-mouse with prosecutors.

Shin Kanemaru, a gruff, 78-year-old Diet member and lawmaker who is generally

viewed as the most powerful man in Japanese politics, admitted a month ago that he received a grocery cart full of cash, totaling \$4 million from Mr. Watanabe.

Since then, Mr. Kanemaru has barricaded himself inside his home. According to reporters who have camped out outside the house, he has received a steady stream of political leaders, many carrying gift-wrapped liquor bottles or orchid plants costing \$250 apiece.

But Mr. Kanemaru has refused to talk to the prosecutors. They have the legal power to force him to come in for questioning, but in Japan the inherent respect for a man of Mr. Kanemaru's age and stature makes that step difficult.

News reports here suggest that the prosecutors are now negotiating with Mr. Kanemaru over the terms under which he will answer questions about the illegal contribution he has admitted receiving.

Under Japan's Political Funds Control Law, the biggest penalty he can receive for taking an illegal \$4 million is a fine of \$1,600.

But any form of conviction would severely damage the reputation of Mr. Kanemaru and the dominant party.

Nonetheless, it is considered an act of courage here for the prosecutors to be pursuing Mr. Kanemaru and other leading politicians on charges of receiving illegal funds.

In the past, criminal charges have been brought against politicians only when the government could prove actual bribery.

In the Sagawa case, for the first time, prosecutors are reportedly preparing charges just for violation of contribution reporting requirements. This may suggest a toughening of prose-

cutorial will to strike back against the recurring spectacle of big-money political scandals here.

One of the more brazen features of the Sagawa scandal is that the politicians allegedly took the secret cash contributions from Mr. Watanabe in 1989 and 1990, just when Japan was aflame about an earlier political-contribution scandal, the Recruit Cosmos affair. Recruit Co., an information and publishing conglomerate, privately offered shares of its real estate unit, Recruit Cosmos Co., to politicians, executives and civil servants before they were publicly offered in 1986.

It has been suggested that political figures sought out Mr. Watanabe for secret contributions to help them fight off the public backlash against the Recruit scandal.

Mr. Watanabe was arrested for misuse of his company's funds in February, and prosecutors evidently started questioning him immediately. But most of the important news disclosures on the case did not occur until August, just after a national parliamentary election.

With little mention of the new scandal during the election campaign, the dominant party won a significant national victory. Only then did news reports surface of specific illegal payoffs to party members.

Toru Takazawa, a member of Japan's second-biggest party, the Socialists, and chairman of the Socialist task force on reform, said that "the election may have influenced the timing of the news leaks."

"But the prosecutors have clearly accelerated the criminal process, and they've brought this case to trial fast," he said. "So I don't want to criticize the prosecutors' office at all."



WE PLAY WITH THE NET UP — President Boris N. Yeltsin of Russia joking with President Nursultan A. Nazarbayev of Kazakhstan during a tennis match in Moscow. The two leaders discussed the further development of bilateral relations between their two countries during a working meeting in the Russian capital before Mr. Nazarbayev left to make a visit to Germany.

Leaders Abandon Yugoslav Peace Talks

Reuters

GENEVA — The peace conference here on the Yugoslav civil war was scaled down Monday as leaders of the three warring groups prepared to depart, leaving lower-ranking negotiators to continue the talks.

The leaders, Foreign Minister Haris Silajdzic for the Muslim-led government, Radovan Karadzic for the Serbs and Mate Boban for the minority Croats, were ready to return to Geneva if required, a United Nations spokesman said. "At what point they might come back it's hard to say right now," he added.

Negotiators had drawn some comfort on Saturday from pledges by the three delegations to leave representatives in Geneva for the talks. The conference had looked in doubt when both the Serbian and Muslim leaders said they might stop attending.

Earlier hopes that the three parties would meet face to face around a single table were dashed by Mr. Silajdzic, who branded his Serbian rivals "war criminals" and said he had no mandate to negotiate with them.

The negotiations are designed to find a constitutional settlement to end five months of fighting. But the mediators concede they are facing protracted and difficult talks, with Serbs and Muslims showing no sign of relaxing their demands and taking every public opportunity to exchange charges of atrocities.

Meanwhile, another United Nations plane will make a test flight to Sarajevo from Zagreb early Tuesday, and officials said they hoped this would be the start of a new airlift of supplies for the Bosnian capital.

Relief workers in Sarajevo said food reserves were exhausted and that feeding 380,000 trapped people depended on resuming the air bridge or increasing road convoys without delay.

But fresh fighting around Sarajevo, along with delays and cancellations of road convoys, highlighted the hazards facing the relief effort.

Peter Kessler, a spokesman for the UN High Commissioner for Refugees, was optimistic about resuming the aid flights, which were suspended after an Italian relief plane was shot down Sept. 5. He said relief flights would resume in earnest once a go-ahead had been received from the UN High Commissioner's office in Geneva.

Leaders of the three warring communities agreed in Geneva over the weekend to permit immediate resumption of the relief flights and "to grant and ensure safe passage on all roads necessary for humanitarian assistance."

But the head of UN relief operations in Sarajevo, Larry Hollingworth, said a convoy that left the city on Friday had returned Sunday without delivering its aid. The convoy was harassed and threatened by Serbian civilians in a village on the road to its planned destination, a Muslim-held town.

There was no fresh firing around the Sarajevo airport on Monday, but Bosnian radio reported sporadic shelling of the city and a heavy attack on the suburb of Vogosca.

No Letup In German Violence

Compiled by Our Staff From Dispatches

BERLIN — About 60 youths clashed with the police in the East German port of Wismar on Monday as attacks against asylum-seekers continued.

Nine people were detained after the fighting, part of a wave of attacks on the hosted that began after a German was stabbed by a Romanian at a fair a week ago.

In nightly attacks over the past week, dozens of young thugs have gathered outside the Wismar center, throwing firebombs and stones. Scores have been arrested since the string of attacks began.

According to the police, only a small number of hoodlums tried to attack the home late Sunday with stones before several were arrested. No injuries were reported.

In other overnight violence, the police said five unknown assailants threw stones at a refugee home in Güstrow, about 200 kilometers (120 miles) north of Berlin. Two windows were broken, but no injuries were reported, and the attackers escaped.

At Lübbenau in Brandenburg state, the police detained two youths they caught throwing stones at a hostel window.

Since Aug. 22, when five nights of neo-Nazi violence against foreigners rocked Rostock, rightist militants have repeatedly attacked refugee shelters throughout Germany.

Most of the attacks have been in the economically depressed eastern states, where joblessness is at least 15 percent.

More than 280,000 asylum-seekers have flooded into Germany this year. The rioters blame them for everything from joblessness to housing shortages. (Reuters, AP)

MOSCOW Capital of 'Poshlost'

(Continued from page 1)

in aviator sunglasses. "After all, our state is selling secrets abroad, and the officers themselves come and sell these clothes." What bothers him is the sale of icons nearby.

"These are purely Russian and have artistic value," he said. "And we're sorry for it."

Another colleague, a student, wore a Buffalo Bills sweatshirt and a New York Giants jacket. "Mostly students sell here," he said. They get a monthly government stipend of 1,000 rubles (\$4.85). "Who can live on that?"

In three years on the Arbat, he has found the highest profit in uniforms: "If you pay 3,000 rubles for a matryoshka, you can sell it for only 6,000. But for every 100 invested in uniforms you get 1,000 to 2,000 back."

The Arbat, which is about 800 meters (about a half mile) long, is riled by two gangs, one Russian and one Caucasian. Mr. Seokin and his friends pay the Caucasians \$20 to \$40 a month for each small folding table at their prime spot near the Prague Restaurant.

"There's a certain order here, and we have to negotiate," one said. "We pay to get a sort of protection, so people leave us alone." They are also supposed to pay 5,000 rubles a month to the city. They say they earn about \$400 to \$500 a month in net profit per table.

Olga, 17, sells papier-mache boxes. Her best, a numbered Palekh (a village famous for its painters), is a minimum of \$150. Her boss has fixed a \$125 price, "and if I sell it for less than \$25 profit for me, it's not worth it." Poorer boxes sell for \$30, bought from the artists for \$15.

Lately the sellers have also had to cope with a feud between the city and state militias, who also want to control the Arbat. Last week, the city militia tried to close the street down, but failed. Now, like the gangs, they share it with their state colleagues.

In Russia, the individual has the

right, by decree, to buy for hard currency, but not to sell for it. If the militiamen see a hard-currency sale, they can confiscate the proceeds.

"They can't stop you on the street and turn out your pockets," said Alexei, 22. "But if they see a sale, they can."

Most students clear about 2,500 rubles (\$12.20) a day, Olga said, though matryoshki sellers can make 5,000. Olga's best political set has 12 pieces and ranges from a tiny, long-armed Prince Yuri Dolgoruky, Moscow's founder, up to President Boris N. Yeltsin, with the Russian tricolor and a red hammer-and-sickle tie. Signed by the artist, the price is \$135.

Pity Honecker, Gorbachev Urges Germans

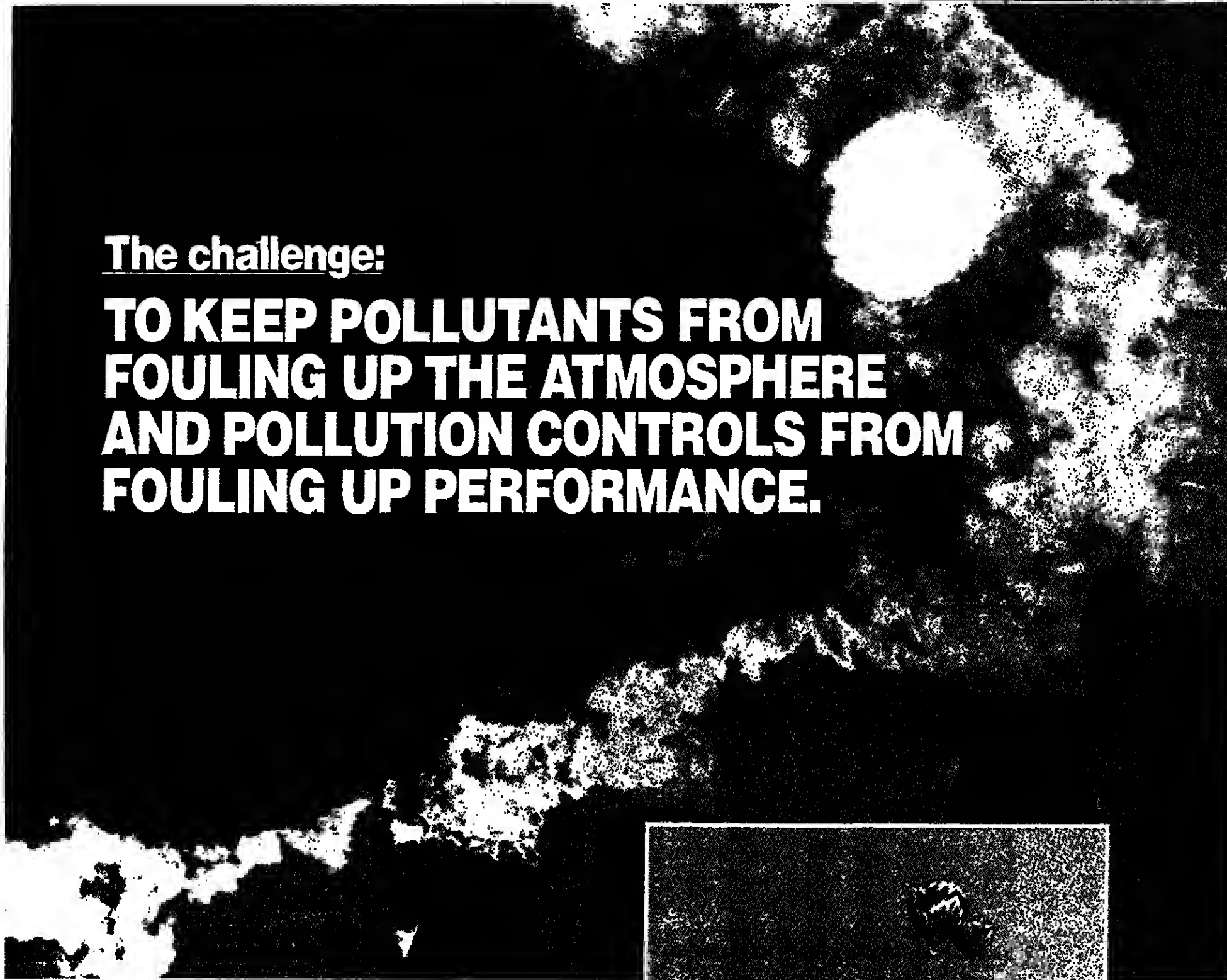
Reuters

BONN — Mikhail S. Gorbachev asked Germans on Monday to take pity on another fallen Communist leader, Erich Honecker of East Germany, who is being held on manslaughter charges.

The former Soviet president, in Bonn for a symposium, suggested in a television interview that Mr. Honecker was the victim of a witchhunt. "I have pity. He is an old man. Do we have to take out our feelings of revenge on Honecker?" Mr. Gorbachev said on RTL-plus television.

Mr. Honecker, 80 and suffering from liver cancer, has been jailed in Berlin after being deported in July from Moscow, where he was in exile, to face manslaughter charges for shootings to prevent escapes at the former the East German border.

Mr. Gorbachev will be made an honorary citizen of Berlin next month for his policies of East bloc liberalization that led to German unity.



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سوكا من الامم

Leaders Abandon Yugoslav Peace Talks

Iraq Is Said To Execute 25 More Profiteers

By Paul Lewis
New York Times Service
UNITED NATIONS, New York — Iraq has carried out a new round of executions for economic crimes amid further signs that the economy is worsening, the currency plunging and merchants refusing to import needed food, according to reports from diplomats and officials in Baghdad.

The reports, which could not be verified independently, said 25 Iraqis were executed in Baghdad on Thursday for unspecified black-market currency transactions. At the same time the Iraqi dinar has plummeted, with one dollar now selling for more than 40 dinars compared with 20 in late July. Before the Gulf War, one Iraqi dinar was worth \$3.

The report of new executions follows the confirmed execution of 42 Iraqis in July on charges of profiteering. They were executed after the price of imported staple foods such as rice, cooking oil and sugar rose sharply, in part because of a decline in the dinar's value, which forced up the cost of importing goods from Jordan.

Those executions only made the food shortage more acute as other terrified merchants refused to bring in supplies, fearing that they would either be arrested for profiteering or forced to resell stocks at a loss.

Meanwhile, Iraqi opposition leaders in Europe said they were trying to organize a major meeting at the end of this month of all the parties opposed to President Saddam Hussein in the Kurdish-controlled northern part of the country.

3 Sentenced in Germany

Three German steel executives were given suspended sentences Monday for illegally exporting rocket engine parts to Iraq before the Gulf War, Reuters reported from Bochum, Germany. The three worked for subsidiaries of the German steel and engineering combine Thyssen AG. They were convicted of knowingly selling Iraq turbo-charged pumps declared as oil- and water-drilling equipment but intended for military purposes.

Conviction and sentencing followed quickly after a surprise confession on Monday by the chief defendant, Ulrich Bernzén, a member of the management board of subsidiary Thyssen Industrie AG.

Palestinians Struggle for Unity at Talks

By Jackson Diehl
Washington Post Service

WASHINGTON — As the peace talks between Israel and the Palestinians stalled last week, a senior Bush administration official called one of the Palestinian leaders to complain about his delegation's abrupt introduction of far-reaching new demands.

The answer the official got embodied both the blunt candor and the sometimes maddening complexity of Palestinian politics. "We all share your frustration," the Palestinian said. "But there's nothing we can do. This was the decision of our leadership."

The new Palestinian position, which called on Israel to commit itself to withdrawing from the occupied West Bank and Gaza Strip before negotiating an interim settlement, was formulated not by the Palestinian delegates and advisers encamped at the downtown Grand Hotel but by the top leadership of the Palestine Liberation Organization in Tunis, which the local delegates recognize as their ultimate authority.

The PLO leaders, who have been banned from directly participating in the peace talks or even from traveling to Washington, were reacting to what was seen as a hardening of Israel's position at the beginning of the present round of talks, as well as to developments in the negotiations between Israel and Syria. And though many of the Palestinians here thought the tactical shift was both belated and exaggerated, they had no choice but to insist on it through four days of bargaining sessions.

By week's end, the Palestinian delegates were gradually shifting back toward more promising avenues of discussion with the Israelis, and few saw the week's events as more

than a temporary downward swerve in the negotiations.

Still, the episode illustrated what has emerged as one of the most sensitive issues of the peace process: how the stateless Palestinians, relying on a geographically scattered leadership and lacking a real government or political system, can make the excruciating choices and painful concessions that will probably be necessary to settle their conflict with Israel.

"It's easy to criticize, but sometimes the administration and the Israelis forget who we are," said Karim Nabulsi, an adviser to the delegation. "We don't have a state. We don't have a civil service. What we have is a national coalition, in which everyone has a say. And our leadership is halfway around the world."

In theory, the 10-month-old negotiations are between Israel and a delegation of Palestinians from the West Bank and Gaza, who are charged with formulating the terms under which the 1.7 million residents of the territories will gain self-rule for an interim period. In practice, the Palestinian delegates are only one link in an intricate political web that includes Palestinian nationalist leaders from Jerusalem, academics and experts from the United States and Europe, and the Tunis PLO cadre under Yasser Arafat.

To the irritation of the Israelis, the Palestinians in Washington regularly proclaim that all decisions about the negotiations are made by Mr. Arafat and his aides in Tunis, with whom both Israel and the United States refuse to negotiate.

Even this PLO command structure, however, is more an official story than a reality. In practice, both delegation members like the chairman, Haidar Abdel-Shafi, and Jerusalem-based "advisers" like Faisal Husseini

and Hanan Ashrawi have been instrumental in making tactical decisions — sometimes despite initial resistance from Tunis.

At the same time, a diverse group of Palestinian "experts" — academics from universities in the United States and in Europe, refugee intellectuals, West Bank exiles and even a handful of Palestinian-Americans — has played a quiet but influential role in drawing up Palestinian positions and brokering contacts with the Bush administration.

Palestinian strategy meetings at the Grand Hotel sometimes shift from Arabic to English or French to accommodate advisers who have never lived in the land the Palestinians claim.

"You hear accents from all over the world," said Mr. Nabulsi, who prefers English. "It reflects very well who we are — a people who are spread all over the world and are shaped by different environments, but share this common perspective as Palestinians."

The mix makes for decision-making that is broad-based but erratic, consensual but slow and sometimes uncohesive.

"You basically have this unwieldy, three-tier system that is imposed by the terms of the negotiations," said Khalil Jachshan, a Palestinian-American who is executive director of the National Association of Arab Americans.

"First you have a delegation which goes to the talks, comes back and talks to another committee, the guidance group, which in turn is supposed to make decisions in collaboration with a third level of leadership in Tunis."

Palestinian spokesmen argue that their decision-making problems could be solved if Israel and the United States would recognize the PLO leadership and allow it access to the talks, an unlikely development.



Yitzhak Rabin during parliamentary debate Monday in Jerusalem on his peace policy of ceding captured land to Syria.

Rabin Steps Up Timetable for Syrian Peace

The Associated Press

JERUSALEM — Prime Minister Yitzhak Rabin told the parliament Monday that he hoped to make peace with Syria sooner than he had first thought.

"I didn't expect any miracles and wonders," he said.

"I said it would take between six months to a year, and I hope that maybe we will succeed in a shorter period of time," Mr. Rabin continued.

Israel and Syria were resuming talks Monday in Washington.

The prime minister made the statement as his supporters turned aside an effort by rightist lawmakers to hold a full-scale parliamentary debate about his policies on ceding at least some land in the Golan Heights to achieve peace with Syria.

By an unannounced show of hands, the parliament sent the debate to the Defense and Foreign Affairs Committee, where Mr. Rabin is scheduled to testify Tuesday in a closed session.

Outside parliament, hundreds of Golan settlers waved Israeli flags and carried placards reading, "You don't sell your homeland" and "The Golan today, the Galilee tomorrow." The Galilee is in northern Israel.

India Tied to Poison Gas Deal

U.S. Challenges Sale of Chemicals to the Middle East

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States has protested to India because it sold chemicals needed to make poison gas to Middle Eastern nations, saying shipments undercut efforts to stem the spread of chemical weapons, administration officials say.

U.S. intelligence sources discovered in August that a shipment of the chemical trimethyl phosphite had been sent from India to Syria on a German vessel. The chemical can be used to make pesticides but is also an ingredient for nerve gas. Earlier shipments of Indian chemicals to Iraq and Iran have also raised U.S. concerns.

American officials concluded that the shipment to Syria was intended for Syria's chemical weapons program. After the United States alerted the German authorities, they had the chemicals sent back to India.

Embassy in Washington declined to comment on the export to Syria or to discuss steps India has taken to regulate its chemical exports. "I have no information on that at all," he said.

India has supported efforts to negotiate a worldwide ban on chemical weapons in the Geneva arms talks. But Bush administration officials said the shipment to Syria in July was the most recent sale and yet another example of worrisome chemical sales by Indian companies that have continued in recent years despite repeated protests from Washington.

While India in recent years has repeatedly been accused of trading in substances that could be used in chemical arms, administration officials say this episode highlights the problems that Third-World exports pose for combating the spread of chemical weapons. It came as arms negotiators in Geneva were putting the finishing touches on a treaty to ban poison gas.

As industrialized nations have tightened export controls on the "precursor" chemicals that can be used to make poison gas, exports from Third-World nations have become increasingly important for Middle East nations seeking to expand their poison gas arsenals.

Among Third World nations with large chemical industries, India's is a major and longstanding source of concern. India has extensive trade ties with the Middle East, where chemical arms development is an issue that worries Washington.

India's export regulations are also an issue. An administration official said that Washington had pressed its objections with India "time and time again," but that India had taken only limited action to tighten controls.

The Indian chemical export to Syria also indicates that Damascus is committed to expanding its arsenal of poison gas. Syria already has a sizable chemical arsenal.

13 Decades Later, Mexico Revives Ties With Vatican

The Associated Press

VATICAN CITY — The Vatican and Mexico on Monday reestablished diplomatic relations broken by the Mexican government more than 130 years ago.

Mexico was the only major Latin American country without formal relations with the Vatican. "For Mexico, as well as the Holy See, today begins a new chapter under the sign of mutual respect and trust," said a Vatican announcement. The Vatican spokesman, Joaquin Navarro-Valls, added that the establishment of diplomatic ties means "overcoming an anachronism." "Mexico brings itself in line with the established international practice" of separation of church and state, Mr. Navarro said.

In effect Mexico broke all relations with the Vatican in 1858, after President Benito Pablo Juárez nationalized the church's huge property holdings. The formal breaking of ties by Mexico came in 1867.

William A. Swanberg, Biographer Of Luce, Hearst and Dreiser, Dies

By Wolfgang Saxon
New York Times Service

NEW YORK — William A. Swanberg, 84, the author of a Pulitzer Prize-winning biography of Henry R. Luce, has died of heart failure in Southbury, Connecticut.

Mr. Swanberg had 10 books to his credit. He was the subject of a public dispute in 1962 when his biography of William Randolph Hearst, "Citizen Hearst," narrowly missed being awarded a Pulitzer Prize. An advisory board recommended the book, but the trustees of Columbia University rejected it.

It was the first time in 46 years of the Pulitzer Prizes that the trustees had rejected the board's recommendation, apparently because they did not consider the subject's character lofty enough for the prize under the bylaws. There was no award for biography that year, but the rejection sent buyers into bookstores in droves. Eleven years later, Mr. Swanberg

won a Pulitzer for "Luce and His Empire," the life of the co-founder of Time Inc. That award was made without an argument.

His first book, published in 1956, was "Sickles the Incredible," about General Daniel Edgar Sickles, a Civil War commander and New York Democrat who helped to establish Central Park. That was followed in 1957 by "First Blood: The Story of Fort Sumter."

"Jim Fisk" (1959) told the tale of James Fisk, the flamboyant financier known as the "Baron of Wall Street." "Dreiser" (1965) was a biography of the author Theodore Dreiser. "Pulitzer" (1967) was about Hearst's rival Joseph Pulitzer, the editor and publisher who endowed the Columbia Graduate School of Journalism, where the prizes named after him are given out yearly.


Mr. Swanberg's last book, "Whitney Father, Whitney Heirs," was published in 1980. It is a family portrait of John Hay Whit-

ney, the New York publisher and former U.S. ambassador to Britain, and his daughter Dorothy. Warren Moscow, 84, a political reporter for The New York Times who became an aide to Mayor Robert F. Wagner, died Sunday in Putnam V.I., New York. He had diabetes.

William J. Dunn, 36, a CBS radio correspondent who covered General Douglas MacArthur and the war in the Pacific from 1941 to 1945, died of heart failure Saturday in Rhinebeck, New York. Gladwin Hill, 78, a journalist who in 44 years with The New York Times pioneered environmental reporting and described for a generation of readers Los Angeles's growth from an outpost to a metropolis, died of lung cancer Saturday in Los Angeles. Michel Abu Jawdeh, 59, a prominent Lebanese newspaper columnist and editor, died of a heart attack Thursday in Beirut.


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AFRICA: On Neediest Continent, UN Is Both Savior and Source of Graft

(Continued from page 1)

nothing to relieve the widespread starvation. Today up to 3,000 Somalis are dying each day, and at least 2 million in an estimated population of 6 million are said to be in immediate danger of starvation. Meanwhile, the clan warfare that broke out soon after the fall of the dictator Mohammed Siad Barre in January 1991 is reducing the country to anarchy. The combination of famine and lawlessness has driven more than 300,000 Somali refugees into Kenya and displaced at least 2 million people inside the country.

"What has happened to Somalia is a tragedy and an international disgrace," said Aryeh Neier, executive director of the New York-based group, Human Rights Watch, in a recent testimony before the U.S. House Select Committee on Hunger. He asserted that "the United Nations and its various organizations have been so monstrously negligent and incompetent that they have played almost no role at all in alleviating Somalia's misery."

"Somalia," Mr. Neier quoted a UN official as saying "is the greatest failure of the United Nations in our time."

This latest African refugee crisis lays bare a breakdown of planning, administration and accountability by UN agencies, characterized by long delays and confusion in dealing with a growing emergency, and resulting in needless deaths. But it is only one chapter of what many relief workers say has long been a sorry performance by the United Nations in Africa.

Over the years, the United Nations has poured billions of dollars into Africa. There is no doubt that the aid has been urgently needed on a continent wracked by wars, famine, poverty, underdevelopment, disease and recurring refugee crises. Of an estimated 17 million refugees around the globe, about half are African. Of the world's 42 poorest countries, 29 are in Africa. Accordingly, the continent has been the largest regional recipient of UN assistance.

The aid has raised agricultural production in some places, improved water supplies, inoculated children against diseases and, by all accounts, saved countless lives. Many selfless, idealistic people work for UN humanitarian and development programs in Africa, often under difficult conditions far from their families. The UN refugee agency often has performed heroically, winning two Nobel Peace Prizes for its efforts.

But thousands of lives and millions of dollars also have been lost, current and former UN officials concede, because of the perennial ills of the UN bureaucracy: waste, mismanagement and, on occasion, corruption in UN programs.

Often, the sources say, the losses stem from greed or callousness among the governments, armies or

criminal nature. Then on another layer you have outright malfeasance.

Behind the agency's deficiencies in responding to crises, its officials say, are inherent limitations on its mandate, inadequate staffing in key posts, scarce funding and the need to wait until a crisis erupts before soliciting donations.

"All of these problems are true," Mr. Clark said. "But the main problem is the lack of determination to get a handle on these situations and try to prevent these crises from developing. A bad situation is allowed to fester and become a horrible situation, and a horrible situation is allowed to become a catastrophe."

There is no attempt to replace the inadequate staff that they have so they could correct these situa-

Mohammed Sahnoun, the new UN special envoy to Somalia and a critic of the organization's performance there, said: "It's the bureaucratic answer. Save the Children has done much better than the UN." He was referring to the relief agency based in London.

"We were absolutely, totally absent," the outspoken former Algerian diplomat said. "The UN should have intervened, and I do not understand why they didn't. It was a very, very long delay and a tragic delay. And now we are paying the price."

Mr. Sahnoun said the UN failure to get involved in Somalia earlier may have added to the suffering there.

"I saw children dying with my own eyes," he said. "I saw old people dying," he added, "and there was no assistance. The only UN organization which deserves great credit is Unicef."

The difference between the United Nations and private relief groups, Mr. Sahnoun said, is that the latter "work with volunteers, people who can take risks."

"They really work out of charity and the goodness of their hearts," he said. "Our staff, our people, are civil servants."

Another agency that has been plagued by a history of irregularities, insiders say, is the UN Development Program. Like the High Commissioner, its scandals have rarely been publicized.

In Mali, for example, a locally hired development program employee embezzled about \$560,000 from the government through fraudulent claims for fuel-tax reimbursements. When the fraud was discovered in 1986, an oil company that was also victimized in the fraud, Shell/Mali, had to repay the Mali tax authorities. The UN employee was prosecuted and eventually jailed, but his agency disavowed any responsibility.

The oil company successfully sued the agency for the embezzled amount in a local court case, but the agency invoked diplomatic "functional" immunity in 1989.

"The UNDP is immune from any legal process," said Toshiyuki Niwa, the director of its Bureau for Finance and Administration. "Therefore the case is closed. There was no lost money on our part."

An internal critic argued, however, that the agency's handling of the case hardly encouraged contributions to its programs in Mali, one of the world's poorest countries.

UN officers from Africa are usually recruited from elite, pro-government sectors in their countries, where graft is often rife and accountability is nil, UN and governmental sources said. Many of these states lack a free press, a credible opposition or other institutions to hold authorities to account.

NEXT: Peacekeeping Problems

'You have no leverage whatsoever in the refugee business. You take your money away and the refugees don't get fed.'

A senior UN official

armed bands that UN agencies must deal with in carry out their programs. These authorities have taken their cuts of relief aid with impunity in return for granting refugees asylum or allowing UN workers access to suffering populations. In the UN refugee agency, those losses are widely referred to as "the price of protection."

"You have no leverage whatsoever in the refugee business," a senior official of the High Commissioner explained. "What are you going to take away? You take your money away and the refugees don't get fed."

Less well known outside UN agencies are losses that current and former staffers say have occurred when UN employees helped themselves to large amounts of international aid or otherwise profited from donor money.

Across the continent, UN officials at various levels have been implicated in diversions of food aid, embezzlement of humanitarian and development assistance, fraudulent procurements, black marketing, currency exchange manipulation, kickbacks and various other moneymaking schemes. Among the countries in which UN investigators found evidence of fraud are Angola, Djibouti, Ethiopia, Kenya, Mali, Uganda and Zaire.

"The horror stories are not aberrations," said Jeffrey Clark, a former staffer on the Select Committee on Hunger and now a consultant for the private U.S. Committee for Refugees. "Incompetence and evasion of responsibility are pervasive within UNHCR. That incompetence is so severe that it almost borders on negligence of a

tions before they degenerate," he said. "You have too much emphasis on coordination meetings in capital cities, and a reluctance to get out there and get dirty."

The UN failure in Somalia began with its slowness in responding to the initial political crisis there, as the country slid into chaos after Mr. Siad Barre's overthrow.

With rebels closing in on the capital, Mogadishu, and Mr. Siad Barre preparing to flee in January 1991, the United Nations pulled out, as did most foreign diplomatic delegations. Other voluntary agencies, including the International Committee of the Red Cross, Save the Children and Doctors Without Borders, moved in to help ease the suffering, but the United Nations generally stayed on the sidelines for more than a year. The sole exception was Unicef, the United Nations' Children's Fund, which returned to Somalia on Dec. 24 and resumed full operations in March.

When James Jonah of Sierra Leone, the UN undersecretary-general responsible for Africa, came to Nairobi in February to launch a new interagency appeal for the Horn of Africa, he testily defended the UN decision to withdraw from Somalia. At the time of the pullout, he said, UN premises had been looted and personnel were being molested, making it too dangerous to maintain a presence there.

"The UN as it is now is not structured for emergency situations," Mr. Jonah said. He said it was hard to keep UN staffers in a place like Somalia. "How do you cover them by insurance?" he asked. "It is very difficult to find a credible insurance company to cover them."

TO OUR READERS IN BERLIN

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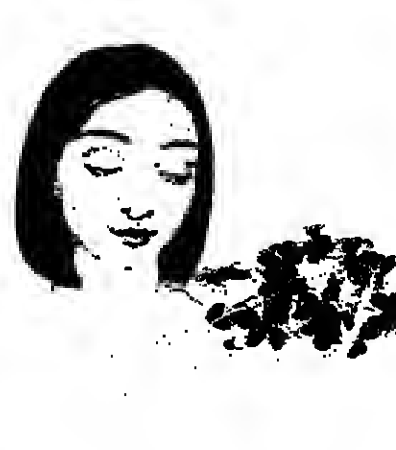
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As South Florida Rebuilds, a Chance to Avoid Tacky Sprawl

By William Booth

MIAMI — Never before has such a large area of modern, urban America faced the task of rebuilding itself almost entirely from scratch.

The hurricane last month wiped the slate clean, and people are asking what the reconstructed southern Dade County will look like.

Will the vast wasteland south of Miami transform itself into a place of sturdy homes and village squares and green spaces? Or will the new Dade County reproduce the often poorly constructed world of strip shopping malls and cookie-cutter subdivisions, held together with staples and presboard?

"We simply have to start building things to last," said Daniel Williams, a Miami architect and planner. "Because you can see what happened to the status quo. It's strewn all over Dade County."

Bob McCabe, president of Miami-Dade Community College and a force in

planning the reconstruction, said, "I can only hope we do things better this time around."

Yet while there is a sense of excitement about the opportunity to improve living conditions in the 165 square miles (425 square kilometers) damaged by the storm, it is far from certain that the reconstructed Dade County will be any better than the old one.

"Yeah, a lot of it'll be slapped back together and be worse than it was before," said John Pistorino, an engineer and consultant to the county's Board of Rules and Appeals, which gives advice on building codes and construction. "You can already see it happening."

The task of rebuilding places enormous strains on the already strapped county government, which will lose millions in tax dollars because of property improvements lost in the storm.

Before the storm, southern Dade County was characterized by miles upon

miles of subdivisions and trailer parks, a classic example of urban sprawl. After the storm, "we're looking at 100,000 housing units heavily damaged, plus or minus a few thousands," said

'Yeah, a lot of it'll be slapped back together and be worse than it was before.'

John Pistorino, engineer and consultant

Chuck Lennon of the Building Association of South Florida. "We were building maybe 7,000 homes a year in the last few years. To rebuild 100,000, you're talking about 10 to 15 years of work in the next three or four years. You're talking about a real bumous task."

Mr. Lennon said reconstruction was made more difficult by the fact that different builders might be asked to build a house here and a house there, instead of constructing an entire subdivision. This will add to the cost, and to the confusion.

When a subdivision is finished, the developer is usually no longer responsible for its upkeep. That responsibility often goes to a homeowners' association. Some associations have already decided that unless 70 percent of the owners commit to rebuild, they will abandon the neighborhood.

This means it is possible that whole subdivisions may be bulldozed, leaving what Dan Williams, an architect, compared to modern "Mayan ruins." Some neighborhoods could have a mix of rebuilt homes standing for years next to empty lots and piles of rubble.

There have been some attempts at improving the housing stock. The Dade County Commission recently outlawed the use of presboard and staples in roof-

ing. The city of Homestead banned, at least temporarily, mobile homes.

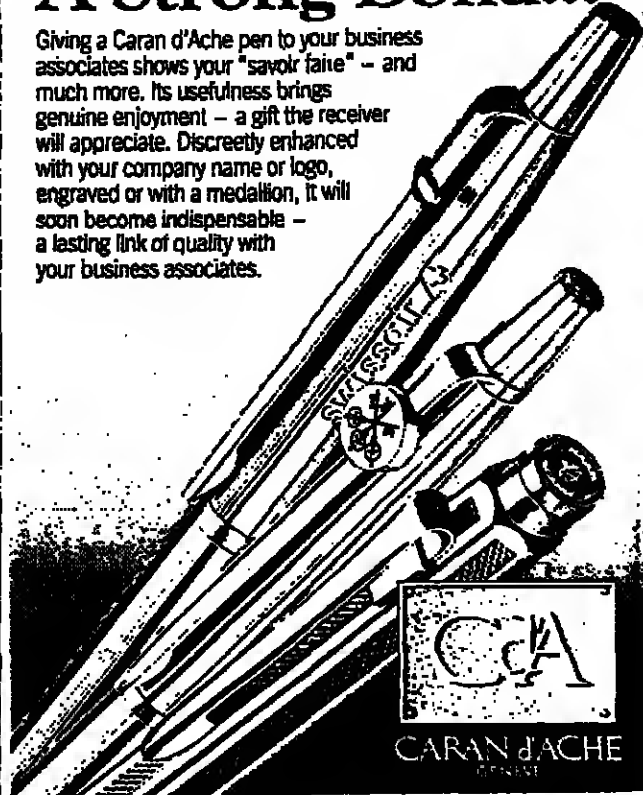
Moreover, Dade County ruled that any reconstruction not overseen by architects or engineers would be considered temporary and subject to approval later. The county commissioners are considering appointing an independent panel to probe shoddy construction.

Yet many of the institutions and individuals who created the old southern Dade County will build the new one. Activist architects have been told that much of the low-income public housing built by the Housing and Urban Development Authority and destroyed by the hurricane will essentially be rebuilt as before.

"What is the probability that the people who were architects of this inevitably flawed community are going to construct a better one?" asked H.T. Smith, an attorney and activist in the pages of The Miami Herald. "Obviously, we're not going to know for a while."

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U.S. Knew Airmen Were Alive in Laos

The Associated Press

WASHINGTON — Two former defense secretaries who served under President Richard Nixon said Monday that the Pentagon knew that U.S. airmen were alive in Laos at the end of the Vietnam War and were not returned.

In Moscow, meanwhile, the U.S. co-chairman of a joint prisoner-of-war commission, Malcolm Toon, said Monday that Russia must make a clearer statement that it is no longer holding any American prisoners of war.

The two former defense chiefs, Melvin Laird and James R. Schlesinger, told the Senate Select Committee on POW-MIA Affairs that downed airmen were contacted on the ground in Laos by U.S. forces. During peace negotiations with neighboring North Vietnam, U.S. officials were given only a list of 10 prisoners in Laos.

"It is evident that the Laotians gave no true accounting of the Americans who had been taken in Laos," Mr. Schlesinger said. He said he "can come to no other conclusion" than that the United States left men behind. But he added, "That does not mean that there are any alive today."

Mr. Schlesinger speculated that some might have been executed. The committee chairman, Senator John F. Kerry, Democrat of Massachusetts, said others may have been killed in combat on the ground or died of exposure.

Mr. Laird testified that the Pentagon had solid information, such as letters, witness reports or direct radio contact, on about 20 Ameri-

can airmen who survived downings in Laos. Mr. Laird said he notified Mr. Nixon of these estimates in late 1972. Only 10 were released the next year.

Documents compiled and issued by Senator Robert C. Smith, Republican of New Hampshire, vice chairman of the committee, show that as many as 330 U.S. personnel were missing or captured in Laos.

Mr. Kerry said "it's quite extraordinary when two former secretaries of defense both give evidence documenting that they had information, or they believed personally, that people were alive and not accounted for in Operation Homecoming."

In Moscow, Mr. Toon, who arrived Monday for a weeklong conference of the Russian-American Bilateral Commission on POWs, said the American public was "getting awfully impatient" with the lack of progress in the search.

Mr. Toon's comments were among his toughest yet concerning the Russians since formation of the commission.

The panel, formed in March by President George Bush and President Boris N. Yeltsin of Russia, so far has produced little information on the fate of POWs, although it did publish names of several dozen U.S. civilians trapped in the former Soviet Union after World War II.

Mr. Toon acknowledged that an aide to his Russian co-chairman, General Dmitri Volkogonov, stated recently that Russia had no live American POWs, but he said the statement "wasn't sufficiently specific."



Robert Sullivan/Agence France-Press

DOWN TO EARTH — Jan Davis and her husband, Mark Lee, after landing at Cape Canaveral, Florida, following a shuttle flight. They were the first married couple to fly in space. NASA had put them on separate work (and rest) shifts.

BUSH: UN Peacekeeping Backed

(Continued from page 1)

or doing business with the newly emerging democracies of Eastern Europe.

This \$1 billion would not be new money but would come from the existing foreign aid budget. Mr. Bush did not say which current American aid recipients would have to give up grants as a result.

While the president's speech contained a variety of proposals along these lines, he provided few details about how they would be implemented. Several would require congressional approval.

Senator David L. Boren, the Oklahoma Democrat who chairs the Senate Intelligence Committee, said that many of the ideas in Mr. Bush's speech — including expanded training for American troops in the art of peacekeeping and using the foreign aid budget to promote American exports — were suggested by him and other Senate Democrats months ago, and initially resisted by the administration.

The Senate voted last week to allow the Defense Department to spend up to \$300 million annually to help with UN peacekeeping operations, in an amendment sponsored by Senator Carl Levin, Democrat of Michigan.

Also, given this administration's reluctance about getting involved in peacemaking or peacekeeping operations on the ground in Yugoslavia, it is not clear how seriously the audience took Mr. Bush's exhortations on peacekeeping.

Mr. Bush provided backing for many, but not all, of the proposals in Mr. Butros Ghali's "Agenda for Peace" — a program published last summer for expanding UN peace-

mounting ethnic and other crises around the globe.

The secretary-general, in his "Agenda for Peace," has proposed a \$50 million peacekeeping start-up fund and a \$1 billion peacekeeping endowment fund. Mr. Bush himself made no commitments, although he did say he was prepared to "review how we fund peacekeeping and explore new ways to ensure adequate American financial support for UN peacekeeping."

Getting to what the United States itself was prepared to do now, by way of example to others, Mr. Bush said he was directing Defense Secretary Dick Cheney to design programs that would make U.S. military bases, intelligence assets and engineering units better able to participate in UN peacekeeping operations.

He added that he was also ordering the establishment of a permanent peacekeeping curriculum in American military academies, something which already exists in the Scandinavian nations.

"Because of peacekeeping's growing importance as a mission for the United States military, we will emphasize training of combat, engineering and logistical units for the full range of peacekeeping and humanitarian activities," Mr. Bush said. "And we will work with the United Nations to best employ our considerable lift, logistics, communications and intelligence capabilities to support peacekeeping operations. And we will offer our capabilities for joint simulations and exercises to strengthen our ability to undertake joint peacekeeping operations."

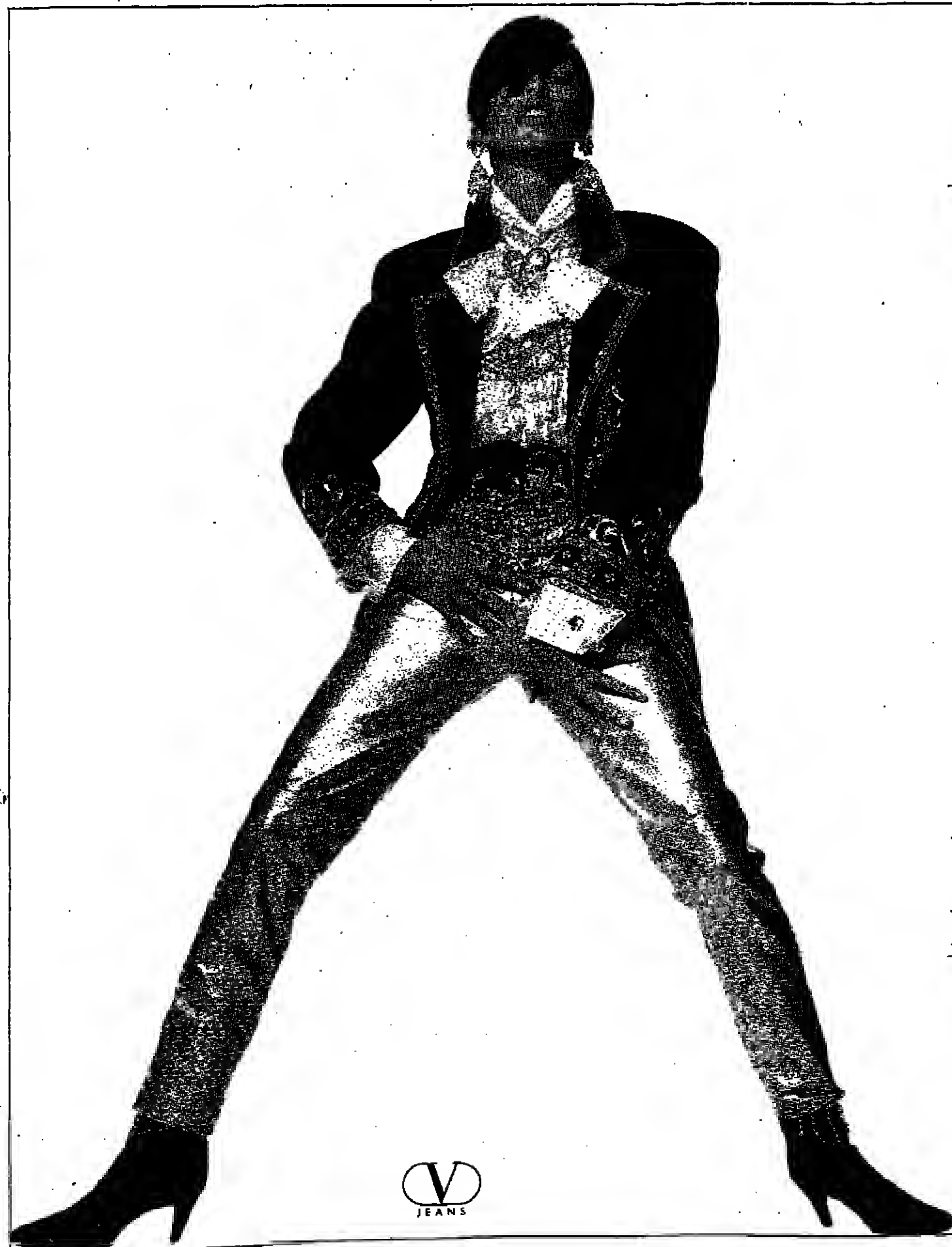
But Mr. Bush then added the important caveat: "Member states, as always, must retain the final decision on the use of their troops."



OIL & MONEY: PLANNING FOR CHAOS

The International Herald Tribune and The Oil Daily will convene their 14th annual Oil & Money conference in London on November 16 & 17. Brochure with full program details — available now. Contact Brenda Hagerth in London on Telephone: +44 211 836 48 02, Fax: +44 211 836 07 17.

Herald Tribune



VALENTINO CELEBRATES THIRTY YEARS OF MAGIC A RETROSPECTIVE EXHIBITION SEPTEMBER 23RD PIAZZA ITALIA AT THE NEW YORK SEVENTH REGIMENT ARMORY VALENTINO



Herald Tribune INTERNATIONAL

A Vote for Europe

Although they did it by a narrow margin, France's voters approved the Maastricht treaty and staved off the months of confusion and paralysis that would have followed a defeat. But the referendum showed a perilously close division in the country whose support, probably more than any other's, is essential to this great enterprise.

irrevocable decision — being asked to sign a contract that nobody but the experts could read. The European governments in general have done a poor job of explaining to their people what they were doing and why. There are clearly lessons here for the next referendum on European union, and the first is not to take support for granted.

Toward Thai Democracy

What has happened in Thailand since the army committed a Tananmeken-like massacre of peaceful democracy demonstrators in Bangkok last May deserves commendation. The king summoned up reserves of symbolic leadership and, with civilian help, saw to the resignation of the arrogant general who had himself appointed prime minister.

been strong since the monarchy ended in 1932. Foreign perils added to the rationale for a strong military hand. But the post-Vietnam settling down of Southeast Asia has helped democratic elements to sprout. Thailand's maturing economy has been finding military corruption a drag. The four days of violence in May seem to have left a therefore pliant public determined to reduce the military — swollen by 60 years of power and privilege — more to size.

Koreans Make Progress

International inspectors have now visited North Korea's only known nuclear installations and discovered a nuclear arms program more rudimentary than expected. The visits suggest that the North's determination to build the bomb may be flagging, at least for the moment.

For handling nuclear material to inspectors from the IAEA, including the reprocessing plant at Yongbyon. It even seems willing to let South Korean inspectors into these sites. But it has balked at inspections of other sites, especially on short notice.

Unemployment Dilemma

The American economy is generating new jobs, but not fast enough to keep up with a growing population. In the past year the labor force has risen by more than 2 million people, but the number of jobs is up by barely 1 million. That is why the unemployment problem is up to a point that will put great pressure on the president who is inaugurated next January.

month that more than 800,000 jobs in the defense sector will disappear by 1995. That includes a reduction of some 360,000 in the armed forces, as well as 130,000 civilian jobs in the Defense Department and about 330,000 jobs in defense industries.

Europe: Ask the People About the Big Decisions

By Brian Beedham

EGINA, Greece — Here begins the rebuilding of Europe, but it will be a different sort of Europe from the one that has just fallen apart. After 1945, a certain kind of European intellectual decided that the postwar world required the construction of a certain kind of Europe. One part of this intellectual construct, the exchange-rate mechanism, came to pieces last week.

make Europe speak with a single voice toward the rest of the world, and to give it a single army to back up that voice, is doomed to failure — maybe worse than failure — until a sufficient majority of Europeans react in the same way to what is happening outside the Community's borders.



So Much for the Europhoria of the Bureaucrats

By William Safire

LONDON — By a margin as slim as a mannequin's waist, France voted "yes" on Sunday to a union of European currencies.

to London, in effect, to lower the British standard of living. When the Conservative government of Prime Minister John Major at first resisted by trying to support the pound, speculators gleefully nipped at it with a third of the nation's foreign currency reserves.

can start with a reaffirmation of people's belief in pre-Maastricht Europe (but with a separate vote, perhaps, on the need for radical changes in the money-wasting Common Agricultural Policy). Every proposed new piece of Euro-mechanism, whether economic, political or military, should also be subject to a direct vote. In the de-ideologized world of post-Communist politics, direct democracy is bound to spread. The people of Europe should be consulted on the remodeling of Europe.

Ailing Economy: Courage From Bush and Clinton Would Help

By Herbert Stein

WASHINGTON — However different the economic proposals of the U.S. presidential candidates, the eyes of the world are trained on it. But their fears could drive Seoul and Tokyo toward nuclear arms. Pyongyang thus has an interest in allying suspiciously and opening the way to more far-reaching accommodations on this divided peninsula.

They would continue long after the need had passed. Effective anti-recession policy requires a suspension of controversy so that timely agreement on action can be reached. Neither party is open for that, especially during the campaign.

favorite words. He does not seem to recognize the gap between aiming at the target and hitting it. There is no reason to think that the government would have more hits than misses.

He claims to have one priority. He is for "people's" meaning the middle class, meaning most voters. He embraces the poor within the middle class and his policy for the poor is just part of his policy for the middle class. With such a strategy, the problems of the poor will not get the attention or resources they require.

Mr. Clinton seems to have no priorities at all. He recognizes a thousand problems and has a thousand solutions and none takes precedence.

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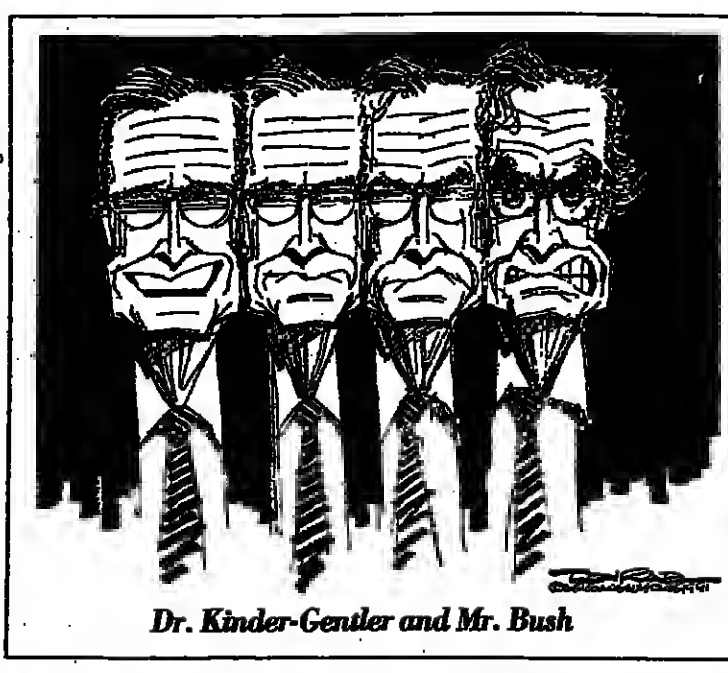
OPINION

A Two-Campaign Strategy To Cover All the Targets

By Anthony Lewis

BOSTON — Have Americans ever had two political campaigns so different in style and content? I mean the campaigns being waged by George Bush...

Accordingly, some of the most strident messages from the convention were toned down. Vice President Dan Quayle, inventor of "family values," announced that his grandmother had been a single mother...



Dr. Kinder-Gentler and Mr. Bush

believed in "social engineering" and an "elite central government." Those were old European ideas, Mr. Bush said, and Mr. Clinton was for them because "he and a number of his advisers studied them at Oxford in the 1960s."

out the supposedly "independent" Willie Horton advertising in 1988, wrote last week that Bill Clinton's opposition to the Vietnam War while he was at Oxford was "under the aegis and support of one of the most notorious Communist front organizations in Europe."

I Had No Voice and So Much to Say

By A. H. Raskin

NEW YORK — As the national labor correspondent of The New York Times for more than 40 years I always considered a vibrant, principled union movement a hallmark of American democracy.

was a blessing to be able to walk to her once again. My understanding of simple conversation also seemed to be returning. I began to produce what I thought were words, but the puzzled look on the faces of my audience showed me that my long-awaited words were mere gibberish.

to imitate her with as much accuracy as possible. I was drilled to respond to word-retrieval tasks such as finding opposites, sentence production and sentence formulation.

MEANWHILE

I am fortunate to have had sufficient recovery that I am physically independent; to speak, however, demands great effort. I am limited to short utterances.

was received with elation by my family and friends. A baby must be excited like that when he enters his first "mama."

Initially, when I tried to write my name I just scribbled. Slowly, by copying the letters over and over, it began to come back to me. Spelling was no longer automatic. I was drilled to put down letters and words to dictation, finish the spelling of incomplete words and look for errors in misspelled words.

In Bellwether Illinois, a Race for a Demystified Senate

By George F. Will

WASHINGTON — If Rich Williamson seems somewhat flummoxed, forgive him. His race for a Senate seat was supposed to be against the incumbent, the Democrat Alan Dixon, an ideologically shapeless career politician vulnerable to today's anti-incumbent fever.

He says she has voted 11 times to raise taxes, and to raise welfare and her pay, and has voted against the death penalty and against reciting the Pledge of Allegiance in schools, and was a 1988 Jesse Jackson delegate.

Democrats. Today most downstaters are represented by Democratic congressmen, and Illinois has two Democratic senators and Democratic majorities in both houses of the state legislature.

Mr. Williamson feels dragged down by President George Bush who, he says, is perceived as intolerant on moral issues and injurious to the economy.

LETTERS TO THE EDITOR

Africa: No Ethnic Model

Regarding the editorial "Wisdom From Africa" (Sept. 4): The irresponsibility of stating that "black Africa offers a lesson on the wisdom of respecting the territorial integrity of all states, whatever the mix of peoples," is mind-boggling.

Politics and the Law

Regarding "Honecker's Error and the German Identity" (Opinion, Sept. 11) by Jan Hoogstraal: The suggestion that the courtroom is the place to "decriminalize" a certain image of East Germany implies using the halls of justice as a political forum.

Hollywood Pollution

If President George Bush wants to improve values in the United States, he should begin by addressing the trash that is coming out of the American entertainment industry.

Nice Clinton, Bad Bush?

Whatever happened to unbiased, objective reporting? I have been amazed by your incredibly obvious bias in favor of Governor Bill Clinton.

Beijing With Barzini

Regarding "Paris to Beijing: 16,135 Very Difficult Kilometers" (Sports, Sept. 3) by Ian Thomson: Your article brought back thoughts about the original Beijing to Paris trip in 1907, and about our dashed hopes for a repeat performance in 1957.

U.S. Citizens

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Announcing the easiest way to call a foreign country when you're already in one.

Sprint Express advertisement with a list of international access numbers for various countries.

Advertisement for the Austria Center Vienna, featuring a photo of a building and text about dieticians and a dream called Wien.

Advertisement for Dieticians go for Torte mit Schlag in a dream called Wien, located at the Austria Center Vienna.

Advertisement for Sprint Express, titled "Country to Country Calling. New from Sprint Express." It describes how to use Sprint Express to call the U.S. from abroad.

Serious Frivolity

An Upmarket Street Party in Paris

PARIS—It was one of those nights when the harvest moon hangs like a Chinese lantern over the rooftops—if anyone had eyes to see over the rim of a champagne glass.

The Avenue Montaigne, France's most sophisticated shopping street, was en fête—and not just to show off the luxury products from Christian Dior to Louis Vuitton. This was an upmarket street party when the wine being served was not supermarket plonk but vintages from France's finest châteaux. At Dior it was Moët et Chandon champagne. Even in Inès de la Fressange's shop, guests were gulping down velvety Cuvée d'Estournel, while the feisty Inès toured the Avenue Montaigne on her moped.

They call it the Fête Vendanges, the wine harvest festival. And just to prove that the only things that

SUZY MENKES

French really take seriously are wine and well-dressed women, on the eve of the Maasricht vote 25,000 Parisians turned out for the event, dressed as for a cocktail party.

"When foreigners think of France, the first things that come to mind are fashion and the *grands crus*: beauty, pleasure and good humor," pronounced de la Fressange, who calls the Avenue Montaigne "a village between the Seine and the Champs Elysées."

The Fête Vendanges coincided with the black-tie opening of the Paris Biennale for Antiques at the Grand Palais around the corner, and at 10 P.M. on a balmy night, guests were still arriving in the Avenue Montaigne, where each house had built a miniature pavilion onto the sidewalk, swagged with grape-patterned drapes and vine leaves. At Chanel, Karl Lagerfeld had ordered a more fanciful window decoration: a modern bacchanalia sculpted out of cardboard cartons by artists Mathias and Nathalie. Thierry Mugler's space-age boutique was lit up with eerie blue laser lights, while the designer—about to launch his first fragrance, called Angel—was wearing a brick red shirt and sultan to match as he was just back from New York's Fire Island.

It was a night for people spotting. Baroness Philippine de Rothschild, wearing a glittering bunch-of-grapes pin, was tasting the family wine served up at Louis Vuitton.

"It is going to be a good vintage this year, because the last half has been so sunny," she said.

Socialites and celebs passing through included, at Ungaro, Brigitte de Gannay, Betty Lagardère and the glamorous young Duchess of Seville. Jean-Claude Brialy was at Dior's do, hosted by Dior President Bernard Arnault and his wife Hélène. At Céline, part of the Dior group, Nan Legent, dressed in a wine-leaf-green dress, was serving Pommery champagne.

"It is good to build confidence—and to talk about something else than Maasricht," said Henry Racamer, holding court with his wife Odile at Orloff, where the dancer Patrick Dupond admired the doo-wop pictures.

For fashion spotters there was a chance to see if hemlines were on their way down. In fact, the long skirts were as rare as a sober guest, although Chanel's staff had valiantly climbed into tubes of black leather in spite of the Indian summer heat. Bettina Graziani opted for leggings from Azzedine Alaïa, but the Paris uniform remains the curly little suit.

Looking at the illuminated street, with the Plaza Athénée hotel hung about with grapes and greenery as its centerpiece, it is impossible to believe that the Avenue Montaigne was once just a quiet residential quarter when Christian Dior first opened there in 1947. Now, having a store on the street is a sign of having climbed the Eiffel Tower of high fashion.

"To me, it was always my wife's and my personal favorite," said Wolfgang Ley of Escada, whose wife Margaretha, the company's inspiration, died earlier this year. The Escada flagship (serving Piper-Heidsieck champagne) is well-established on the Avenue Montaigne, where others are now rushing to set up shop.

The new names on the block include Junko Koshino, who had a seductive Japanese Dryum dancer from Kyoto; and the Scandinavian couturier Per Spook, with a woman's boutique already established and the men's about to open. German designer Jil Sander will also open this fall.

Ley says that Escada's Avenue Montaigne sales are 10 percent up so far this month over last year, while August had been very slow at 28 to 30 percent down.

In a chilly economic climate, Avenue Montaigne's festival, started three years ago, is a confidence-building exercise.

All the houses see the Fête Vendanges as an opportunity to invite their clients and friends after the holidays to have a drink with them," says Antoine Gridel, president of the Committee of the Avenue Montaigne, which is increasing its international fame by a twinning with Tokyo's Ginza.

IN contrast with other fashion capitals such as London and New York where retailers' prophecies of doom and gloom tend to be self-fulfilling, the Paris luxury market is defiantly upbeat. Earlier this month Hermès threw a party at its Faubourg Saint-Honoré store, which is to be enlarged now that the ateliers have been moved to the perimeter of town.

"Vitality," said Jean-Louis Dumas-Hermès, who opened yet another new venture last week: a refurbishment of the traditional hat store Moetsch, which will now house a Hermès boutique at the corner of the Rue François I and the Avenue George V.

"When there is a depression, you have to chase away the bad clouds," said Dumas-Hermès. "But then Hermès is like a tree which doesn't feel a storm as much as the newly planted trees."

The streets around the Avenue Montaigne form what is now known as the "Golden Triangle" in the commercial heart of Paris. And there are signs that George V is on the upswing: Gianfranco Ferré last week celebrated the opening of his George V store with a party at the Opéra-Comique, where he staged his own-label collection (as opposed to the one he designs for Dior) in Paris for the first time.

The Avenue Montaigne seemed last week at the pinnacle of high fashion shopping. Yet it is axiomatic that being in fashion means being ahead of the herd. Now that the Avenue Montaigne houses the fashion establishment, the young crowd in Paris goes rather to the Marais area and its surroundings, or to the Left Bank, which is having a revival! Off-beat boutiques like L'île have sprung up just south of Saint-Germain or clustered around the Rue Saint-Stipice.

The fragmentation of retailing means that there are no longer absolute areas for fashionable shopping. Even at the moment of its great success, the Avenue Montaigne's position may be challenged.



At the Avenue Montaigne's fête were (clockwise from top left): Gabriel Kaspéret, a dancer, Antoine Gridel, Junko Koshino, Irène Bérégovoy; Princess Lorenza of Lichtenstein and Alice Allez; Michel Bechet, Inès de la Fressange, Henry Racamer and Patrick Dupond.

STYLE MAKERS

Hong Kong Guru HEALING THE AFFLUENT

HONG KONG—In the penthouse of a prestigious commercial building in this citadel of capitalism, a middle-aged woman in a smart pink suit addressed a gathering of socially prominent business people.

Was she selling real estate, the latest European luxury goods, memberships in a fabulously expensive new club? Hardly. As a subtle whiff of incense wafted through the air, she told the assembled believers, in an impeccable British accent, that there was something better than affluence: looking inward. And that, she added, was what the guru they were all there to honor offers.

"Inward" is a concept that does not always fit the image of Hong Kong, a frenetic city of gleaming surfaces, endless one-upmanship and immense ambition, most of it aimed at the accumulation and show of wealth. A stroll through the central business district can seem like a visit to the world's largest Rolex showroom.

But many of the people in the penthouse on that humid late summer evening said the sudden popularity of a charismatic young spiritual leader, the Gurumayi Chidvilasananda, suggests that Hong Kong may be changing. People are finding it's alright—or at least fashionable—to expose what would have been heresy a few years ago: money may not be everything.

"I'm the last person you would have expected to do this, believe me," said Angela Marin, a businesswoman in a chic green suit who grew up in Hong Kong. "But I remember I was talking to someone about a friend who had gotten involved with the Gurumayi, and I said: 'I hate to be bad and horrible, which I usually am, but she looks 10 years younger. The stress is all out of her face. What is this?' That's when I started to say there's

got to be more to life than chasing the almighty dollar."

Among the Gurumayi's adherents now are Joyce Ma, whose Joyce boutiques introduced Hong Kong's upper crust to designers like Giorgio Armani and Issey Miyake. There is also Dale Keller, a prominent interior designer for hotels, and Linda Ho McAfee and her husband, Gage McAfee, an American lawyer and a former president of the American Chamber of Commerce here.

The first person to introduce the Gurumayi, an Indian woman who teaches what is known as Siddha yoga, to Hong Kong's smart set was Margaret Tanock. She owns the franchise here for the Body Shop, a chain of stores selling personal-care products.

Some followers say they find the Gurumayi particularly appealing because she is not preaching a religion. She offers a method, they say, for finding happiness, not in the material things people here have long used as the measure of a person, but in themselves, "the incredible space within, which is the real you," as the guru puts it.

In the form of meditation she teaches, chanting and inspirational tapes combine in a method for unwinding and finding deeper reserves of energy. The Gurumayi's message is unorthodox, suggesting that about the only thing that can go wrong is that a person will lose touch with "the true self."

"We make light things so dense,"

the guru says in a videotaped talk. "We make simple things so complicated."

A recent meeting in the penthouse involved watching a video of the Gurumayi, an attractive woman in a saffron-hued cap, delivering a talk in slightly accented English. She spoke in an amused and casual tone, sometimes eliciting chorales from the audience, as though they were all sharing an inside joke.

The guru has passed through Hong Kong only briefly. Those who are wealthy enough fly around the world to meet her. Cocktail chat here these days often turns to the places where people have caught up with her: in India, at a Catskills retreat, in Mexico.

"If you had asked me about this a few years ago, I would have said it can't happen in Hong Kong, no way," said McAfee, who works for her father, one of Hong Kong's wealthiest shipping magnates. "There's an expression we have: 'You've changed the prescription of your glasses.' That's what it's like."

The popularity of the Gurumayi has attracted plenty of doubters, too.

"It is very fashionable—there is certainly an element of that," said Sarah Monks, deputy director of publicity for the Hong Kong Trade Development Council. "But people are starting to see that this incredible pursuit of wealth has taken a personal toll. It's acceptable now to talk about these problems. We're almost at the point where people

will be saying openly that they're seeing a shrink."

It is not just the well-to-do who are spending less time shopping and more time considering the words of the Gurumayi. The four dozen or so people who showed up for the recent session included a mix of Westerners, Chinese and Indians.

MONKS and several others dismissed the notion that the collective search for enlightenment was related to strains arising from the British agreement to turn Hong Kong over to China on July 1, 1997. Whatever the reason, Gage McAfee believes that interest in the Gurumayi's teachings has made Hong Kong a better place.

"I wouldn't have gone to an ashram, I can assure you, on a bet," said McAfee, who has visited the guru in India and upstate New York. "I had always thought of Hong Kong as being just about the Hang Seng index and Joyce boutiques. But I've found that Hong Kong is actually quite a spiritual place."

In fact, Hong Kong has a large Catholic church, and the heavy scent of joss sticks drifts from hundreds of Buddhist temples and shrines sprinkled throughout the crown colony. But now, when one small but growing group meditates, its devotees seek something more than the latest Hermès scarf: nothing.

James Sterngold

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ACROSS

- Handles roughly
- Almost boil
- Self-satisfied
- the Red
- Small drum
- Dorothy's dog
- Sput
- East away at
- One-sided game
- Strand film re-spinning?
- Gov. Cuomo et al.
- In full view
- Scene of the crime
- Self-satisfied
- Musician's transition
- Hero
- Meters
- Gotchal
- The optometrist's place?
- Noshed
- Prejudice of a sort
- Actual
- Hawthorne's torte
- Owens or James
- Twinge
- Harrow's rival
- Muffet's diet plan?
- Fidel's realm
- Nice Nell
- "Archeologist"
- Singer Redding
- Stan's pal
- Festive
- Calli's Governor Wilson
- For rent
- "Rosebud," e.g.
- "Baby, Take _____, 1934"
- Vein of ore
- Sketched
- Hash mark
- Dudley or Marianne
- Driving-test test
- Understood finally
- Try
- Theater audience
- Traveler's paper
- Check for typos, etc.
- Memo
- "If you know _____"
- Selves
- Bacillus
- Kind of dancer
- A son of Zeus
- Yes votes
- Line marking down)
- "sow..."
- Got along
- Times for solvers
- Watt's fuel
- Grant and Middlecott

DOWN

- Croquet stake
- In (bogged)
- Deer
- Make time for
- Watt's fuel
- Grant and Middlecott
- Blow or Palooka
- Sovereign
- Biblical measurement
- Carrie's dad
- Tin-whistles sound
- See
- Singer Guthrie
- Vold's partner
- Objective
- Beat pounder
- Owned

Solution to Puzzle of Sept. 21

DIET ROILS PAN
 OGRE ECRIIT ORAN
 WOMANSHAIPIECE
 NRA EIRE ISERE
 NOSE CARLER
 URGENT REMAN
 REOS SENAT SHE
 SEASONOFTWEYAR
 ADD LOBES ARLO
 MINER CARTES
 DELIVER BALD
 ERASE OLIO AID
 COMESAFTERPRIDE
 ODER RATAN ASEA
 REDS KNITTS PEIAR

Crossword Puzzle

14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64

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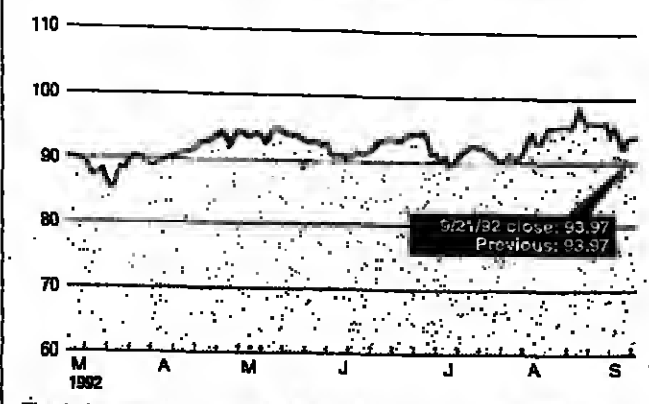
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International Herald Tribune World Stock Index composed of 230 internationally investible stocks from 20 countries...



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland...

Table with 3 columns: Asia/Pacific, Europe, N. America. Includes sub-tables for Industrial Sectors like Energy, Utilities, Finance, Services.

Sweden Slashes Lending Rate

Overnight Money Cost Still High at 50%, Down From 500%

STOCKHOLM — Sweden cut a lending rate to 50 from 500 percent on Monday, reflecting cautious confidence in the krona after France voted "yes" in the referendum on the Maastricht treaty...

budget deficit by about 45 billion kronor (\$8 billion) by 1997. Analysts said the austerity program of tax help reduces long-term interest rates and bolsters confidence in the economy.

devaluation threats could flare again, especially if the rest of Europe continues to have currency unrest. Volvo AB's chairman, Peter Gyllenhammar, had mixed emotions about the austerity package...

Primerica Buys Into Travelers

resulting from its exposure to the hurricane designated Andrew.

NEW YORK — Primerica Corp. has come to the aid of Travelers Corp. with a \$72.5 million deal that will give it a 27 percent stake in the capital-hungry insurer...

Corporate Nouvelle Cuisine

Some Issuers Cook Books to Lure Investors

By Diana B. Henriques. NEW YORK — The names are topping like financial dominoes: Phar-Mor, the Ohio drug store chain; College Bound, a school-test coaching service in Florida; and Gotschalks, a retailer in California.

Action Alert, a research service in Cresskill, New Jersey, show the same trend. "In the 1980s, most of the lawsuits were takeover-related," said James Newman, publisher of the service.

How Scandal Can Hit Stock Prices

Three companies, and how they were tainted by scandal

Table with 3 columns: Gotschalks, Fidelity Medical, Ross Cosmetics. Includes stock price graphs for each company.

INTERNATIONAL STOCKS

Turmoil Overseas Buffets Individual U.S. Investors

By Susan Antilla. NEW YORK — Individual American investors learned the hard way last week that their growing stakes in international securities can be unpredictable and risky.

And, while fraud occurs in the biggest corporations, it is typically more damaging to the stock of small or mid-size companies, which have become Wall Street favorites in the past two years.

Small companies also attract less attention from Wall Street analysts, allowing problems to go undetected. Michael Murphy, publisher of the Overpriced Stock Service, an investment newsletter in Half Moon Bay, California, blames the upswing in stock-price speculation.

Perhaps the most spectacular example was the collapse of Cascade International, a retail chain based in Boca Raton, Florida. Victor D. Incendy, Cascade's founder and chairman, vanished in November after a few analysts questioned the accuracy of his company's financial statements.

First Union Buys Dominion Bank

CHARLOTTE, North Carolina — Extending its reach to Virginia, First Union Bank said Monday it would acquire Dominion Bank of Roanoke in a stock-swap worth about \$825 million.

First Union offered 0.58 share of its stock for each Dominion share, and its stock was hit by the news, falling \$1, to \$37. That value, Dominion's 38.7 million shares at \$830.5 million, or \$21.46 each. Dominion's shares were up \$33.75, at \$19.75.

ONE OF THE GREAT DESIGNS OF THIS CENTURY. AND PROBABLY THE NEXT.

Advertisement for Audemars Piguet watches, featuring a large image of a watch and text describing its design and craftsmanship.

CURRENCY & INTEREST RATES

Table with multiple columns showing currency exchange rates and interest rates for various countries and currencies.

Eurocurrency Deposits

Table showing interest rates for Eurocurrency deposits in various currencies like Dollar, D-Mark, Swiss Franc, etc.

Advertisement for Beau-Rivage Palace, a hotel in Switzerland, with a picture of the building and text.

MARKET DIARY

Europe's Ambiguity Unsettles the Street

NEW YORK — U.S. stocks slipped Monday after confusion about Europe's economic future...

Bundesbank and the Bank of France to lower interest rates after the French referendum...

N.Y. Stocks

The Dow Jones industrial average, which rebounded 1135 points Friday, fell 622 points to 3320.83...

Despite supportive comments from top Bundesbank officials that the franc is a healthy and stable currency...

FRANC: Pressure on Currencies

(Continued from page 1) The dollar also fell, closing in New York at 1.4835 DM compared to 1.5035 last week...

At stake is whether the franc is part of the so-called core of solid EC currencies with the mark, guilder and Belgian franc...

Foreign Exchange

by reports that the government could cut rates by as much as 2 percentage points from the current 10 percent.

The vote showed that the consensus behind economic policy is weaker than thought, said Charles de Croisset, managing director of Credit Commercial de France.

Amex Diary

Advanced Declined Unchanged Total Issues New Highs New Lows

At stake is whether the franc is part of the so-called core of solid EC currencies with the mark, guilder and Belgian franc...

NASDAQ Diary

Advanced Declined Unchanged Total Issues New Highs New Lows

Christopher Potts at Banque Indosuez said that "the market is looking for a gesture backing up the words from the Bundesbank showing that it is committed to defending the franc."

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Helsinki, Hong Kong, Brussels, Johannesburg, Frankfurt, Milan, London, Singapore, Stockholm, and Toronto.

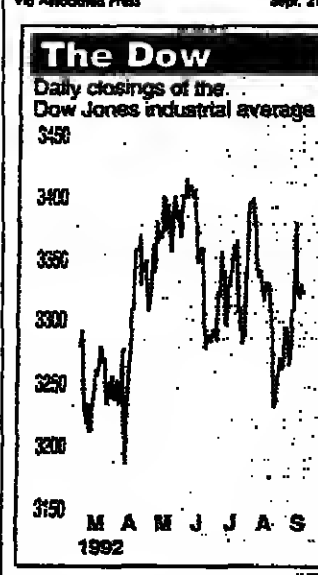


Table of Dow Jones Averages including Industrials, Utilities, and Finance.

Table of NYSE Most Actives listing top trading stocks like Chrysler and GM.

Table of AMEX Most Actives listing top trading stocks like Amgen and Amgen.

Table of NYSE Diary with columns for Advanced, Declined, Unchanged, Total Issues, New Highs, and New Lows.

Table of AMEX Diary with columns for Advanced, Declined, Unchanged, Total Issues, New Highs, and New Lows.

Table of NASDAQ Diary with columns for Advanced, Declined, Unchanged, Total Issues, New Highs, and New Lows.

Table of NYSE 100 Index Options listing various call and put options.

Table of NYSE Odd-Lot Trading listing various odd-lot trades.

Table of S&P 100 Index Options listing various call and put options.

Table of NASDAQ Diary with columns for Advanced, Declined, Unchanged, Total Issues, New Highs, and New Lows.

Table of NYSE 100 Index Options listing various call and put options.

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EUROPEAN FUTURES

Table of European Futures including Food, Metals, and Stock Indexes.

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INDUSTRIALS

Table of Industrial stocks including GM, Ford, and Chrysler.

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U.S. / AT THE CLOSE

A Rare Peek at Goldman's Earnings NEW YORK (AP) — Goldman, Sachs & Co. the privately held Wall Street firm, earned more than \$1 billion last year before taxes...

IBM, Hewlett Plan Corporate PCs

NEW YORK (Reuters) — International Business Machines Corp. and Hewlett-Packard Co. announced Monday personal computers aimed at the expanding corporate market.

Alaska Air Cuts McDonnell Order

SEATTLE (Blomberg) — Alaska Airlines said Monday that it would cut its order for McDonnell Douglas Corp. MD-90 aircraft to 10 from 20 and defer delivery as part of a plan to reduce capital spending by \$500 million over five years.

General Mills Earnings Rise by 12%

MINNEAPOLIS (Blomberg) — General Mills Inc. said higher operating profits from restaurants and consumer foods businesses boosted first-quarter earnings by 12 percent.

Neiman Marcus Loss Widens

CHESTNUT HILL, Massachusetts (Blomberg) — Neiman Marcus Group Inc., the operator of upscale retail chains, said Monday that its loss for the most recent quarter widened slightly, to \$14.25 million from \$14.19 million in the year-earlier quarter.

For the Record

Nike Inc., the world's leading athletic shoe manufacturer, reported record earnings of \$122.6 million for the quarter ended Aug. 31, up 7 percent from \$114.4 million a year earlier.

To Our Readers

Certain European futures prices were not available for this edition due to problems at the source.

U.S. FUTURES

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Market Guide

Table of Market Guide listing various market indices and their values.

Germany Resists Postponement Of Debt Repayment by Russians

By Keith Bradsher
New York Times Service
WASHINGTON — A quarrel between the United States and Russia, on one side, and Germany, on the other, is snarling efforts of finance officials here to postpone the repayment of the former Soviet Union's \$70 billion foreign debt.

Russian officials, here for the annual meeting of the International Monetary Fund that begins Tuesday, want to postpone for at least five years their repayments of interest and principal. But German officials are resisting. Half the debt is owed to German banks and German government agencies, while very little is owed to American banks or federal agencies.

As a result of the dispute, a comprehensive rescheduling plan that U.S. Treasury officials seek by the end of this month may not be ready then.

But finance officials continued to work on an agreement in principle in an effort to settle the issue.

"That discussion is still going on at the deputies' level, and we will see what sort of flexibility they can apply," Canada's deputy prime minister and finance minister, Don Mazankowski, said Sunday.

The former Soviet Union's foreign debt has been a ghost hanging over the meetings this weekend of finance officials from the world's wealthiest industrialized nations, who are racing to craft a plan for rescheduling its repayment.

Deputy Prime Minister Alexander N. Stokhin of Russia met the top finance officials from the world's seven richest democra-

cies on Saturday and met Sunday with top American and German officials to seek their help.

Treasury Secretary Nicholas F. Brady said Saturday that progress had been made toward a rescheduling and that he hoped to have a deal by the end of this month.

But Mr. Brady sounded cautious about the feasibility of the Treasury's timetable.

"End of the month? That might be a little quick, but that's a goal," Mr. Brady said, noting

that the IMF needed to do an extensive analysis of financial figures recently presented by Russian officials.

Russia is publicly seeking to postpone repayments for up to 15 years, although Russian officials have privately told Western commercial bankers and government officials that they would be satisfied with a five-year delay.

Western commercial bankers and German officials have been reluctant to countenance any postponement, and want it limited to two years if it is necessary.

The United States has sided with Russia on the need for a delay, although it has not agreed that five years is necessary.

Russia is receiving \$18 billion in Western financial assistance

this year, and will need an equal sum next year, an IMF staff member said.

Part of that money will consist of new grants, loans and other credits, while the rest will consist of Russia saving money by not paying its debts promptly.

Because Germany is owed so much of the debt, it has advocated new spending by Western governments rather than help with the debt.

The United States, with few loans outstanding but a huge budget deficit, has taken the opposite approach.

The Department of Agriculture has guaranteed \$4.3 billion worth of American and foreign commercial bank loans in the last two years that Russia has spent to buy American wheat.

American banks are only owed about \$200 million that is not guaranteed by the federal government.

Loans guaranteed by the Agriculture Department are among the very few that Russia has continued to pay, because American law requires that these loans be repaid or that a formal rescheduling be completed before any additional loans can be guaranteed.

Commercial banks have refused for the last year to lend any money to the former republics without promises from their own governments that it will be repaid.

The American insistence has irritated some allies who have not been repaid, Canada, for example, briefly stopped wheat shipments to Russia this summer because some of the loans it had guaranteed were not being repaid.

Turkey Plans To Buy 75 Sikorsky Helicopters

Compiled by Our Staff From Dispatches

ANKARA — Sikorsky Aircraft of the United States, beating out European and other American competitors, has won an \$855 million order to supply Turkey with 75 Black Hawk military helicopters, the Turkish government announced Monday.

Prime Minister Suleyman Demirel said 25 Black Hawks would be acquired directly from Sikorsky, a unit of United Technologies Corp., for \$8.5 million each. The other 50 are to be built in Turkey under license.

Turkey had asked for tenders for 200 multipurpose helicopters for the use of the army.

Sikorsky's competitors for the order were Agusta SpA, a unit of Italy's state-owned industrial holding company EFIM; a consortium comprising Aerospatiale of France and Messerschmitt-Bölkow-Blohm GmbH, a unit of Daimler-Benz AG.

Competition among military aerospace suppliers for contracts has sharpened since, with the end of the Cold War and the recession in many industrial countries, defense budgets have been subjected to severe cuts.

Versions of the Black Hawk, which was first built in the mid-1970s, are in use in Colombia, Saudi Arabia, the Philippines and Australia, as well as with the U.S. Army. The helicopter was originally designed to carry a crew of three and 11 soldiers, but it can also fly such missions as ground attack and mine-laying from the air.

(AFX, AP)

Stock Scandal Costs ING's Chief His Job

Resigns

AMSTERDAM — The chairman of Internationale Nederlanden Groep NV, one of Europe's big financial conglomerates, resigned Monday because of what he called bad publicity over stock-market transactions by former executives.

The chairman, Willem Scherpenhuijsen Rom, had been in office only since July 1. Previously, he was chairman of NMB Postbank, which merged last year with the insurer Nationale Nederlanden to form ING.

ING's vice chairman, Aad Jacobs, will move up to the chairman's post.

The resignation, although it surprised financial analysts, did not appear to endanger ING's ambitious expansion plans, notably the takeover bid it is planning for Banque Bruxelles Lambert.

Mr. Scherpenhuijsen Rom's move followed the resignations in June and July of two directors and two general managers of ING Bank, as the group's banking arm is now known, after a scandal involving transactions on the Amsterdam Stock Exchange.

The transactions involved a small Dutch computer company to which the bank had extended sub-

stantial loans. One of ING Bank's directors was also a stockholder in the computer company.

Dutch newspapers reported in August that the directors had been forced out by the central bank. ING and the central bank have refused to confirm or deny the reports.

Mr. Scherpenhuijsen Rom's statement Monday said the "negative publicity" that followed the stock market affair "had become strongly focused on my own person."

The resignation came just one week after ING said it was considering a \$2 billion friendly takeover bid for Banque Bruxelles Lambert.

Commenting on Mr. Scherpenhuijsen Rom's departure, a spokesman for the Belgian bank said, "This is a personal matter, which does not endanger the strategy of BBL."

Analysts agreed, saying the resignation would not affect ING's expansion plans. "It's embarrassing to the chairman but not important to the group," said Michael Lindsay at Deutsche Bank in London.

ING's stock fell just 0.10 guilders to 45.10 (\$26.65) a share on a lower Amsterdam exchange.

Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Frankfurt DAX 1992	2800	2700	2700	-0.36
London FTSE 100 Index 1992	2700	2600	2600	-0.37
Paris CAC 40 1992	2000	1900	1900	-0.50
Amsterdam	CBS Trend	113.00	113.00	-0.53
Brussels	Stock Index	5,512.76	5,517.53	-0.09
Frankfurt	DAX	1,573.86	1,589.33	-0.97
Frankfurt	FAZ	618.33	623.40	-0.81
Helsinki	HEX	584.57	583.29	+0.22
London	Financial Times 30	1,887.80	1,885.80	+0.14
London	FTSE 100	2,560.10	2,567.00	-0.27
Madrid	Generel Index	210.90	214.00	-1.45
Milan	MIB	745.00	745.00	Unch.
Paris	CAC 40	1,826.00	1,882.94	-3.02
Stockholm	Affärsvaerlden	877.41	898.16	-2.31
Vienna	Stock Index	379.50	378.43	+0.28
Zurich	SBS	643.20	645.50	-0.36

Source: Reuters, AFP International Herald Tribune

Very briefly:

- Club Méditerranée SA, blaming poor results at its U.S. subsidiary, downgraded its forecast of profit for the year ending Oct. 31, saying its net profit would be smaller by an unspecified amount than the 240 million francs (\$47 million) it forecast in June.
- Deutsche Babcock AG's subsidiary Babcock-BSH AG bought a 72 percent stake in the French fan producer Notemart Lesm Helok, which has annual sales of around 40 million francs.
- Volkswagen AG's group vehicle sales worldwide rose to 2.38 million units in the first eight months of 1992, 2.8 percent ahead of the year-earlier period.
- East Asiatic Co. of Denmark signed a letter of intent to transfer its unprofitable EacBen ship and container unit to a 50-50 joint venture with American President Lines.
- Floral Street Productions Ltd., a British classical music producer, formed a venture with Pioneer LDC Inc., a subsidiary of Japan's Pioneer Electronic Corp., to make videos of performances staged by the Royal Opera House.
- Fiat SpA, the real estate, investment and finance unit of Fiat SpA, said first half operating profit fell to 43 billion lire (\$34 million) from 107 billion a year earlier, due to rises in interest rates and risk provisions.

IMF: Frustration With German and U.S. Rate Policies

(Continued from page 1)

tions. Their remarks also indicated a sense that there needs to be a cooling-off period from the wrenching currency crisis of recent days before firm policy changes are addressed by either the European Community or the Group of Seven industrialized nations, comprising the United States, Germany, France, Britain, Canada, Japan and Italy.

"We have calm now and we will see what will happen," Mr. Solchaga said as markets in Europe neared the close.

Domestic concerns have driven

the interest rate disparity of late. Germany's relatively high rates are designed to hold down inflation under the pressure of the high cost of German reunification. In the United States, election-year rates are much lower as the Federal Reserve, the U.S. central bank, tries to stimulate economic activity and the White House wants further cuts.

Mr. Camdessus on Monday renewed his call for "peer pressure" among the wealthy nations to reduce the world's real interest rates — rates adjusted for inflation.

"The best way of getting to it is to reduce saving absorptions by the

public sector, and then reduce the budget deficit," he said. "This is element one, the basic tenet of the common strategy."

The ability of the United States to curtail its \$400 billion budget deficit remains highly uncertain. Mr. Bush has called for a range of spending cuts but also wants to cut income taxes "across the board."

IMF officials have urged both spending cuts and tax increases. Governor Bill Clinton of Arkansas, Mr. Bush's Democratic rival for the presidency, has called for a mix of spending cuts and new spending to "invest" in infrastructure improvements.

Sears PLC to Drop Menswear Unit

Bloomberg Business News

LONDON — Sears PLC said Monday it would sell its menswear retailing arm to the unit's management and that the sale would result in a £40 million (\$69.8 million) after-tax charge.

Sears said the buy-out was being led by the unit's current managers under David Carter-Johnson and by Geoffrey Taylor, the former Midland Bank group chief executive, who will become chairman.

Hambro European Ventures Ltd. will be an equity investor in the new venture and Lloyds Bank PLC will provide corporate banking facilities, Sears said.

Sears said it has invested £80 million in the menswear business, which trades through about 350 retail outlets in Britain, principally under the brands of Fosters and Your Price. The division has been unprof-

itable for the past two years. In 1991 it had sales of £128 million and a trading loss of £9 million.

The division has continued to be unprofitable in the current financial year, losing £5.3 million in the three months to May, at which point the company decided to sell the division. "On a cash basis, the division cost the group £30 million over the past two-and-a-half years," Sears said.

As part of the transaction, Sears said it would retain properties with a net book value of £51 million but that it would lease the majority of them to the purchaser.

"All of these properties will be sold in due course and the proceeds invested in Sears' growth businesses," Sears said. The remaining £29 million of assets, largely fixtures and fittings, stock and other working capital, have been sold for a nominal £1.

MAN Joins BMW Mobile Phone Bid

Reuters

MUNICH — Two consortia bidding for the license to operate Germany's second private mobile telephone network said Monday that they have combined forces.

A statement from Bayerische Motoren Werke AG, the luxury car maker, said the consortium under its leadership would merge with the consortium headed by the truck-making and engineering group MAN AG. "The new consortium with the name of E-Star will be led by BMW," the statement said.

Major stakes in the new consortium are held by MAN, Metallgesellschaft AG and RWE Energie AG, the energy unit of utility RWE AG. The Postal Ministry has said it would decide by the end of this year which consortium should be awarded the license.



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Down. The sun rises on the island of Java, shining down on a train travelling the Surabaya-Kertosono line. The track circuits are over. A few hours later, the same sun rises over our power station at Mers El Hadjudj, Algeria. And, later still, over our geothermal plants in Middletown, California. Hour after hour, the sun rises over our achievements in 70 countries. In 30 of these we have established sales and production organizations. We at Ansaldo are world leaders in electromechanics. We know how to combine advanced design and constructional ability, flexibly. That's how we are able to supply specific solutions for industry, power and transportation. Fields united by a common strategic vision, based on advanced technology.

research, and the resources. Stop, now, and think: at this instant, somewhere in the world, the sun



INDUSTRY POWER TRANSPORTATION is rising an Ansaldo.

NYSE

Monday's Closing
Tables include nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	55.00	+0.50
GE	35.00	+0.10
AMT	25.00	+0.15
DIS	20.00	+0.20
INTL	15.00	+0.10
WAL	12.00	+0.05
TRW	10.00	+0.10
GM	8.00	+0.05
AT&T	7.00	+0.05
BA	6.00	+0.05
SPY	5.00	+0.05
GOV	4.00	+0.05
IND	3.00	+0.05
COM	2.00	+0.05
RES	1.00	+0.05
BLD	0.50	+0.02
REX	0.25	+0.01
REX	0.10	+0.00
REX	0.05	+0.00
REX	0.02	+0.00
REX	0.01	+0.00

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REX	0.02	+0.00
REX	0.01	+0.00

NASDAQ
Monday's Price

NYSE
Monday's Closing

(Continued on next page)

صحة من الاجل

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Change
AA	10.00	0.00
ABB	10.00	0.00
ABC	10.00	0.00
DEF	10.00	0.00
GHI	10.00	0.00
JKL	10.00	0.00
MNO	10.00	0.00
PQR	10.00	0.00
STU	10.00	0.00
VWX	10.00	0.00
YZA	10.00	0.00

NYSE

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JKL	10.00	0.00
MNO	10.00	0.00
PQR	10.00	0.00
STU	10.00	0.00
VWX	10.00	0.00
YZA	10.00	0.00

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 ● **The dollar crisis**
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Denmark	D.Kr. 3,400	472	1,200
Finland	F.M. 2,500	540	1,200
France	FF. 1,800	304	990
Germany (incl. West)	D.M. 665	192	365
Great Britain	£	291	416
Greece	Dr. 65,000	91,800	34,000
Ireland	Ir£	220	170
Italy	Lira 450,000	80,000	250,000
Luxembourg	Lfr. 15,000	2,000	7,100
Netherlands	Fl. 710	1,785	390
Norway	N.Kr. 3,300	505	1,200
Portugal	Esc. 45,000	25,440	25,000
Spain	Pes. 45,000	59,140	25,000
Sweden (incl. West)	Skr. 2,900	438	1,600
Switzerland	Sfr. 3,300	438	1,600
Rest of Europe, N. Africa, former French Africa, Middle East	\$	630	345
Rest of Africa, Gulf States, Asia, Central/South America	\$	780	430

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A Special Report

Netherlands

Financial Gateway Amsterdam

The Campaign to Attract Eurobank Stays Alive

By Jacques Neher

AMSTERDAM — If all of Europe had something riding on Sunday's referendum in France, the stakes were particularly high for Amsterdam, which has been campaigning to become the seat of a future European Central Bank.

With France's approval of the Maastricht treaty on European Monetary Union, the concept of a European Central Bank stays alive, and with it Amsterdam's hopes to develop as an international financial center.

Proponents of the city's candidacy — it is up against London, Frankfurt, Bonn and Lyon — see the bank as key to Amsterdam's strategic goal of becoming a "financial gateway" to Europe, just as it has been a physical gateway for European trade over the centuries. A decision could come by December, provided no other countries reject the treaty in the weeks ahead and that Denmark can be induced to reconsider its negative vote of last June.

"This would put Amsterdam on the map as a financial center of the world," said Herman Wijffels, chairman of Rabobank.

On the other hand, losing the contest, some believe, would make the objective very difficult to reach at all.

"In 20 years time, we would see that we lost a lot of opportunities," said Leo Overmars, president of the Dutch Bankers Association, considering the effects of failing to win the bank. "Amsterdam would be as it is now, more of a financial center in a national sense, rather than an international sense."

There is no doubt that Amsterdam's financial community has put a lot of weight on its candidacy to seat the bank. "I think it is very important," said Wim Duisenberg, president of the Dutch Central Bank in an interview before Sunday's French vote. "It would be where the major policy decisions are made, and this would attract public and private foreign institutions from all over the world. It would add international clout to the professional staff of Amsterdam."

He suggested that the bank would carry such importance that major national central banks would want to set up local offices nearby because "they would want to be where the decision-making is."

Mr. Overmars said the effect on Amsterdam of winning the central bank headquarters "would be like the effect the European Commission has had on Brussels."

Direct employment was not a central issue, at least in the initial stages, as the bank would only employ around 400 people, Mr. Overmars said. However, if supervision duties, originally expected to remain the responsibility of the European Community's national banks, were one day consolidated into the central bank, the employment figure could leap to 4,000, he said.

THE bank, he added, would play an important role in attracting private foreign banks to Amsterdam. "I heard that a Taiwanese bank was awaiting a decision on the location of the central bank before deciding where it would set up its European branch," Mr. Overmars said, acknowledging that such decisions are not always very

logical. "It's often a question of image." With new banks arriving, the private financial sector would undergo a related growth spurt, proponents say. "It would have a major impact," said Jan Steinhilber, executive director of Amsterdam Financial Center, an organization set up in 1983 to develop and promote the concept of Amsterdam becoming a financial gateway. "The reason Frankfurt is as strong as it is now is because the Bundesbank was put there — otherwise, it would today be no more important than Munich or Düsseldorf."

Amsterdam's backers have proposed the city as an ideal "compromise" between London and Frankfurt. If either is chosen, they argue, the relative balance between the two in terms of international finance will be thrown off, while smaller regional financial centers, like Amsterdam, are obscured by the winner's long shadow.

"Choosing Amsterdam would not erode the competitive position of the major financial centers," said Jans Westerp, director of the European Options Exchange.

Further, they argue that Amsterdam is better suited than the other compromise candidates, Lyon and Bonn, which offer relatively little financial infrastructure. Amsterdam, they say, is a "neutral" territory — unlike France and Germany — which is not compelled to defend a particular national currency. The former German capital had been proposed as a compromise at last June's European summit meeting in Lisbon, but the British, still apparently banking on London, refused to back the idea.

"Amsterdam has all the qualifications

Dutch Banking Results

In billions of guilders			
	Assets	Net earnings 1990	Net earnings 1991
ABN-AMRO	415.1	1.325	1.536
RABOBANK	217.1	.971	1.012
NMB-POSTBANK	183.2	.635	.857

of a good location," Mr. Westerp said. "We have the financial infrastructure, the expertise, stability and the monetary mentality that is needed."

Indeed, Dutch central banking has long mirrored the monetary policies established by the Bundesbank, and it claims equal autonomy from national political forces. "We have a tradition of independent and autonomous central banking already," said Mr. Duisenberg, the central bank president.

Up to now, Amsterdam's efforts to become a financial gateway have met with mixed reviews. A 24-point "Call to Action" issued by a task force of business and government leaders in 1989, has yet to be fully implemented, even though its initial deadline is long past. One of the big shortcomings has been the failure to modernize the Amsterdam Stock Exchange and make it competitive with screen-based electronic markets such as Paris. All stock orders still must pass through jobbers, who have been fighting efforts to eliminate them.

"The financial center project is certainly not a big success, but it's not a failure either," said Mr. Wijffels at Rabobank, noting that several foreign banks have recently opened in Amsterdam.

Amsterdam now is home to branches or rep offices of 70 foreign banks, about 20 more than when the campaign was started four years ago.

Initiatives taken to incite financial institutions to set up shop in Amsterdam include measures that relieved credit restrictions for newly established banks, extension of bond and bond futures trading hours, 7-day fixed settlement of trades, establishment of a financial training institute, abolition of a stamp duty on securities transactions, abolition of fixed commissions by stock and options exchanges, and enhanced transparency of the securities market through the reporting of trades involving foreign intermediaries.

Despite these measures, Amsterdam's backers say there is still work to be done in eliminating a "clubby" atmosphere within the financial community. "We need to adopt an Anglo-Saxon attitude," Mr. Steinhilber said. "We need to see more aggressive marketing and product innovation. We need to change from a cooperative club to a free market where everyone is out for his own market share."

JACQUES NEHER is a journalist based in Paris.

Portrait of a Capital: Big City or Village?

Development Project Divides Burgers

By Conrad de Aenlle

AMSTERDAM — There's a small problem here. Or else a big problem. The city needs to grow, its leaders say, or the Dutch capital may lose stature among the great urban centers of Europe. That may be so, some citizens reply, but they think Amsterdam is big enough. Any bigger, they say, and their village, as they like to call it, may no longer merit that description.

At the center of the battle for Amsterdam's future is IJ Oever, a massive waterfront development that is expected to take more than 20 years and 13.5 billion guilders, or \$8.6 billion, to complete.

The proposal encompasses 1 million square meters, or 11.7 million square feet, of commercial, residential and cultural space on the south bank of the IJ river (over is Dutch for river bank), to be financed with public and private funds.

There is also to be a development of 10,000 apartment units northeast of the city center, of which 3,000 have already been built, and a second one of 25,000 units to the east, on land to be reclaimed from the river. New roads and metro lines are planned, too.

The mayor of Amsterdam, Ed van Thijn, concedes that IJ Oever will mean massive changes for the city, but without it, he believes, a delicate balance might be lost and the city's core condemned to decline.

"The inner city of Amsterdam is unique, because it is at the same time a tourist center with 8,000 historical monuments, and also an economic center," the mayor said in an interview. "We'll never allow our inner city to become a museum — that's the difference between us and Venice. The balance of functions is crucial to the city of Amsterdam's character."

But some Amsterdamers see the city, and the development intended to revitalize it, differently. "Some of these buildings will be so high, you will be able to see them from the center," contends Maartje Somers, a reporter for the daily *Het Parool*. "People are scared, I'm hearing more that people are scared the city will lose its character."

She noted, however, that there is little organized opposition to IJ Oever, possibly because it is not scheduled to be completed until 2015.

One part of the project that has been vigorously opposed, city officials admit, is the apartment de-

velopment on the river, because of the special place the Dutch have in their hearts for the water.

Ms. Somers questions the motivation of the mayor and other backers: "It's a bit of megalomania. The people in charge would like it to be a big center, to attract big companies. They don't want to be left behind, be too small, get knocked over by France or Germany."

Mr. Van Thijn confesses that he indeed wants to raise Amsterdam's profile among European capitals, of which it is one of the smallest. But he insists it will not be done carelessly.

Defending the project, which still must win city council approval and a healthy injection of cash from the national government, he

"People are scared the city will lose its character."

said that Amsterdam is "the only place in the Netherlands where we could do this. The compromise we've developed is that, on one side, we can't spoil the skyline; on the other, it has to be 20th-century architecture."

That means tall buildings, four of them, flanking the main train station. Ah Oskam, director of the Amsterdam Physical Planning Department, said that although they will be 75 to 100 meters tall (250 to 330 feet), the towers will be barely visible from the center. The cause of the narrow streets and tall buildings that occupy the city's heart.

The only structure in the harbor to compare them with is an ugly slab owned by Royal Dutch Shell Group that stands a good 200-plus feet tall and cannot be seen from the center once an observer gets a short distance from the train station. The comparison is limited, however, because the Shell tower is shorter than the proposed buildings and is situated farther away, on the north bank of the IJ.

Most ships used to enter the IJ from the North Sea, traversing the Zuider Zee, which was dammed out of existence in 1920. Mr. Oskam explained. Since World War II, ships have entered Amsterdam from the west, through the Noord Zee Kanaal. The harbor has since moved west, too.

It was that shift in activity, and a second one to the south, that provided the impetus for IJ Oever. But the drive to urbanize makes Amsterdam residents wonder if the city isn't losing its balance.

Traffic is becoming a mess, often bumper-to-bumper during the evening commute to the bedroom communities built south of the city. And parking in the center is increasingly difficult; drivers have been known to rip out parking meters and dump them in canals. What will Amsterdam be like in 2015, when IJ Oever is due for completion?

"I'm confident we'll have a beautiful, modernized European city," Mr. Oskam declared. "We over want to be a metropolis. . . . The village atmosphere of Amsterdam is very dear to us."

CONRAD DE AENLLE is a journalist based in Paris.

Decade of Banking Growth Now Needs to Be Trimmed Back

International Herald Tribune

AMSTERDAM — After a long period of expansion, the big squeeze is on for Dutch banks. A flat economy and stiff competition have combined to put heavy pressure on margins, leaving the banks little choice but to slash costs if they want to keep their heads above water.

"Over the last decade, banking was a growth industry, experiencing double the growth of the national economy," said Herman Wijffels, chairman of Rabobank, the huge Dutch bank co-op. "But over the last three-to-five years, the industry has become mature, growing more or less in line with the national economy. And with

the national economy now coming down, we can now expect quite poor growth."

Indeed, with GDP growth in the Netherlands not expected to top 1 percent this year, and perhaps the same for next, the banks are starting to feel it on their bottom lines. Net earnings at Rabobank grew in the first half by only 2.6 percent, to 544 million guilders (\$320 million). The slowdown came as the bank increased reserves, to 350 million guilders, to cover bad loans. In full-year 1991, net profits rose 4.2 percent, to 1.01 billion guilders.

At ABN-Amro Holding NV, the country's largest bank, first-half profits rose 8.9 percent, to 872 million guilders, but most of that

was due to its international operations, as domestic operating earnings were flat. For full-year 1992, the bank forecast "a slight" increase in profits over the 1.54 billion guilders earned in 1991.

At Internationale Nederlanden Group, banking subsidiary NMB Postbank, strong international lending helped boost first-half pre-tax earnings to 550 million guilders, up 10.4 percent, but domestic corporate and personal lending was stagnant. ING (combining banking and insurance operations) is expecting full-year earnings "at least equal to the 1991 result."

The banking sector, like the Dutch economy, is heavily dependent on Germany. Some 32 per-

cent of Holland's exports go to Germany, and the banks draw a good amount of their business from the financing of those sales. "If Germany doesn't go well, we'll go very bad," said Leo Overmars, president of the Dutch Bankers Association.

A stagnant economy is just part of the problem. The other part stems from financial market deregulation, which has permitted insurance companies, such as ABN, to offer savings products with attractive interest rates, putting banks in a position where they must either match the rates or risk losing their savings customers, forcing them to secure funds to lead out from other sources.

"We have adjusted our rates to their level, and that's eating into our margins," Mr. Wijffels said. "We'll have five or six banks running after the same client, even if the client is not very interesting."

The only way to hold the line, bankers say, is to slash expenses wherever they can. "Cost-cutting is the order of the day," said Mr. Wijffels.

This will be done by closing branches, increasing automation, streamlining back-office operations, with the goal of producing more value-added services at the same time overhead is being lowered, Mr. Wijffels said. He said Rabobank aims to close 400 of its 2,200 branches within four years.

Cost-cutting is also the order of the day at ABN-Amro, though that policy was built into the logic


of the merger that gave it birth. The merger, which became official last year, combined the Netherlands' then two largest banks, Algemeen Bank Nederland NV and Amsterdam-Rotterdam Bank NV.

The plan called for the merged bank to cut, through natural attrition, some 5,000 jobs over the next few years as administrative redundancies and branches were eliminated. The banks, long-time rivals, often with branches across the street from each other in cities throughout the country, employed a total of 42,500 people and operated 1,473 branches at the time of the merger. Some 1,500 people have been cut from the employee roster so far.

Despite the great power of the merged institution — it has some 42 percent of the assets of all Dutch banks combined — the merger was welcomed by the Dutch Central Bank, which believed that the resulting consolidation would help improve what many consider an "overbanked" market.

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Amsterdam, 17 September, 1992.

Amsterdam Financial Centre

Dutch Shares Still Cheap

Commissioned by Amsterdam Financial Centre, the SPA, the Institute for Financial Research of the University of Amsterdam, has investigated the possible causes of the low price/currency ratios in the Amsterdam Stock Exchange compared to those of London, Frankfurt, Paris and Zurich.

Tax system, company size and pay-out policy are found to be major factors.

The report "Price, Earnings ratios: an international survey of company level", costing Dfl. 55,- can be ordered from: SEA, Roeterstraat 11, 1018 WB Amsterdam, telephone: +31.20.624.24.12, telex: +31.20.625.80.93

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Netherlands

A Special Report

Tourism Tiptoes Beyond the Tulips

By Conrad de Aenlle

AMSTERDAM—The Dutch tourist industry is keeping its head above water during this time of flagging interest in overseas travel, thanks to vigorous international promotion that stresses the Netherlands' attractions beyond the clichés of tulips and windmills.

The Netherlands Board of Tourism expects 6.2 million visitors from abroad this year, a 7 percent rise from the 5.8 million arrivals in 1991. Last year's figure was the same as in 1990, but spending by foreign visitors rose in 1991 to 7 billion guilders, or about \$4.5 billion.

The secret, said Hans Cornelissen, managing director of the NBT, is the promotional campaign that tries to expand on the traditional themes associated with the Netherlands and implant new images in the public consciousness.

"More and more we know that people, even Dutchmen in their own country, are moving away from traditional things," Mr. Cornelissen remarked. "They want more opportunity, more adventure. After the well-known symbols like tulips and mills, Holland has more to offer. We start with those and from there on we give tourists the other aspects of Holland."

The program avoids the temptation of trying to be all things to all tourists. It targets specific groups with particular places or activities that the board believes will be of greatest interest.

"We're not going worldwide any-

where and everywhere," he said. "We're picking our market segments carefully."

One of the campaign's selling points is water. The NBT is in the third year of a program it calls "Holland the Water Land," in which it tries to lure visitors, especially families, from Germany and Belgium, and also from within its own borders.

One of the draws is a new system of waterways specially designed for canoeing. Inexpensive boats can paddle from town to town while their bags are sent on to sanctuary at the next night's hotel.

Other groups being targeted, Mr. Cornelissen said, are young, single women and the "silver-gray" market in Japan and the double-income 45-and-overs in the United States who are "mainly interested in culture and adventure." To give them a dose of each, "cultural boat trips" have been launched, in which passengers sail along and disembark to see towns and museums.

Culture will play a big role in the Golden Age program that Amsterdam will stage from next June until the following February, said Herman ter Balkt, a spokesman for the city's tourist office.

There will be an exhibit, including one at the Rijksmuseum in which restored Rembrandts will be unveiled, and concerts of 17th-century music.

Tourism officials in the capital expect arrivals to be up 5 to 7 percent this year, not a great feat considering last year's total of 1.7 million was 8 percent below 1990, the year of the big Van

Gogh retrospective. Spending by visitors to the city last year totaled 1.8 billion guilders, he noted.

This year's big draw in the Netherlands is Floriade, the orgy of flowers and horticultural exhibits that takes place every 10 years in Zoetermeer, near The Hague. The show has been a grand success, Mr. Cornelissen said, with the original projection of 2.5 million visitors having been surpassed with eight weeks to go and a new goal of 3 million set.

Economic factors have forced NBT officials to scale back their projections on U.S. travelers.

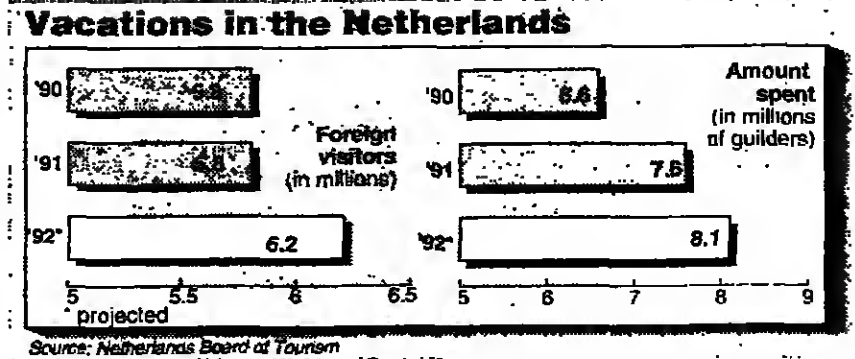
"It seems to be going pretty well," said Eline van Bon, a spokesman for the board's New York office. "It's definitely better than last year, which was '92, but due to the weak dollar, we don't think that will be the actual number." Last year's total, depressed by the Gulf war, was 546,000.

Ms. Van Bon noted that many U.S. visitors to the Netherlands are attending conventions, a sector that is gaining strength there, even as it falls elsewhere.

"In 1991, the number of international conventions held in the world decreased 3.6 percent, and in Europe they decreased 2.3 percent, so [Europeans] didn't suffer as much from the Gulf crisis as the world in total," said Pter Boscher, director of the Netherlands Convention Bureau. "Our calculations show that international convention business in Holland increased 5 percent," in terms of expenditures.



The horticultural show Floriade has drawn more than 2.5 million visitors.



Dike Project Raises A Tide of Protest

By Jeffrey Stank

THE HAGUE—News photographs of a ruptured dike and flooded polder in the northern Dutch province of Groningen last month were enough to strike a historic chord of fear in the Netherlands.

Fortunately for nearby residents, the break, caused by workers installing a gas line, was less serious than the photographs indicated. The damage was quickly repaired, the area of reclaimed land was pumped dry and the rising waters claimed no casualties.

But the accident was a vivid reminder of how much the Dutch owe their safety to an elaborate system of dikes, which rim and cross much of the country. And it came at a time when the government and environmental groups appear headed on a collision course over the future of some of those very dikes.

The government has been involved in a costly and elaborate project to strengthen its 2,500 kilometers (1,540 miles) of primary dikes to meet the legal safety standards.

But some have argued that those standards are too strict and the damage done to the environment when the dikes are reinforced is too high a price to pay for the added measure of safety. They also charge that the raising and widening of the dikes is an eyesore that spoils the verdant beauty of the Dutch countryside.

In addition to the primary dikes built along the coast and major rivers, thousands of kilometers of inland dikes now cut across the landscape. Not even officials at the Ministry of Transportation, Public Works and Water Management, which oversees the network, know exactly how many kilometers of inland dikes have been constructed.

But maintaining the system has proven to be costly, time-consuming and never-ending.

Waves and water currents take their toll on dikes every year, as does the subsoll of clay, silt, sand and peat, which sinks about 10 centimeters (four inches) every 10 to 20 years.

Another problem has come from a thriving population of muskrats, fast-breeding aquatic rodents that weaken dikes by bur-

5 International Companies Spearhead the National Economy

By Philip Crawford

AMSTERDAM—The Netherlands may encompass a relatively small geographic area, but a significant number of major international corporations that collectively employ over a million people make their homes here.

The country's five largest companies outside the banking realm—Royal Dutch/Shell Group, Unilever NV, Philips Electronics NV, Akzo NV, and Akzo NV—represent, moreover, a far-flung range of industrial, manufacturing and retailing concerns with strong presences in global markets. The Netherlands' economic viability, say Dutch financial experts, is intertwined with these companies' fortunes.

Downward pressure on the dollar has hit all five during the past year, as each has significant exposure in the United States. Philips, notably, has seen its profits plummet due to softening demand for consumer electronics. But financial analysts say

there are still positive aspects of each company that bode well for investors and for the overall pulse of Dutch business.

Oil giant Royal Dutch/Shell Group, based in The Hague, continues to be a robust company, say analysts, although the low dollar and flat oil prices this summer adversely affected its business on both sides of the Atlantic. Lingering recession has cut into demand for oil products, which has put pressure on prices at the gas pump and reduced profit margins. As a result, Royal Dutch/Shell Group recently reported that while net income for the first half of 1992 was up 4 percent from a year ago to £1.4 billion (\$2.8 billion), earnings based on the current cost of supplies were down almost 25 percent over the same period.

"On the positive side, they have an advantage over their competitors due to extensive exposure in the Far East, where demand is growing faster than supply," said a Royal Dutch analyst with a major Amsterdam brokerage.

Rotterdam-based Unilever NV, along with its British arm Unilever PLC, have

bettered the low, recession-minded expectations of analysts during the first half of 1992, reporting a 10 percent rise in pretax profit to \$288 million over a year ago.

First-half revenue for the food and household products group rose 4.2 percent to \$1.64 billion. Experts are attributing the good performance to a variety of factors, including volume growth, which helped offset industry-wide price discounting, and healthy sales of premium personal care product lines such as Fabergé, Elizabeth Arden and Calvin Klein.

"Unilever has shown good resiliency in difficult markets," said Richard Newbould of Morgan Stanley. "Detergents and personal products are performing well globally, and almost a quarter of their exposure is in developing markets."

With over 70,000 employees in the Netherlands, Eindhoven-based Philips NV is clearly a part of the country's economic lifeblood. Its recent difficulties, moreover, have been the talk of countless local towns: Flagging demand for consumer electronics in Europe and the Uni-

ted States resulted in a 62.7 percent net profit free-fall in this year's first half to 256 million guilders (\$163 million), the company reported in August. First-half sales fell 5.9 percent to 12.87 billion guilders. Management cited overproduction and price wars with major Japanese electronics concerns as contributing factors.

But some financial analysts do not see a totally bleak picture for Philips. "It has been a very rough period for them, no doubt," said Frans van Schaik, who covers the company for Barclays de Zoete Wedd in Amsterdam. "But don't forget that they own 80 percent of Polygram, which is one of the three largest record companies in the world and is making a lot of money."


Supermarket giant Ahold NV, based in Zaandam, is experiencing appreciable earnings growth despite budget-conscious customer bases in the Netherlands and in the United States, its two primary markets. First half 1992 earnings were up 9 percent to 153 million guilders (\$97.4 million) based on sales growth of 7.1 percent in the Netherlands and 17.3 percent in the

United States. Ahold's 1991 purchase of the U.S.-based Tops market chain has boosted its presence there, adding another recognized name to a corporate family that already includes Giant and First National food stores.

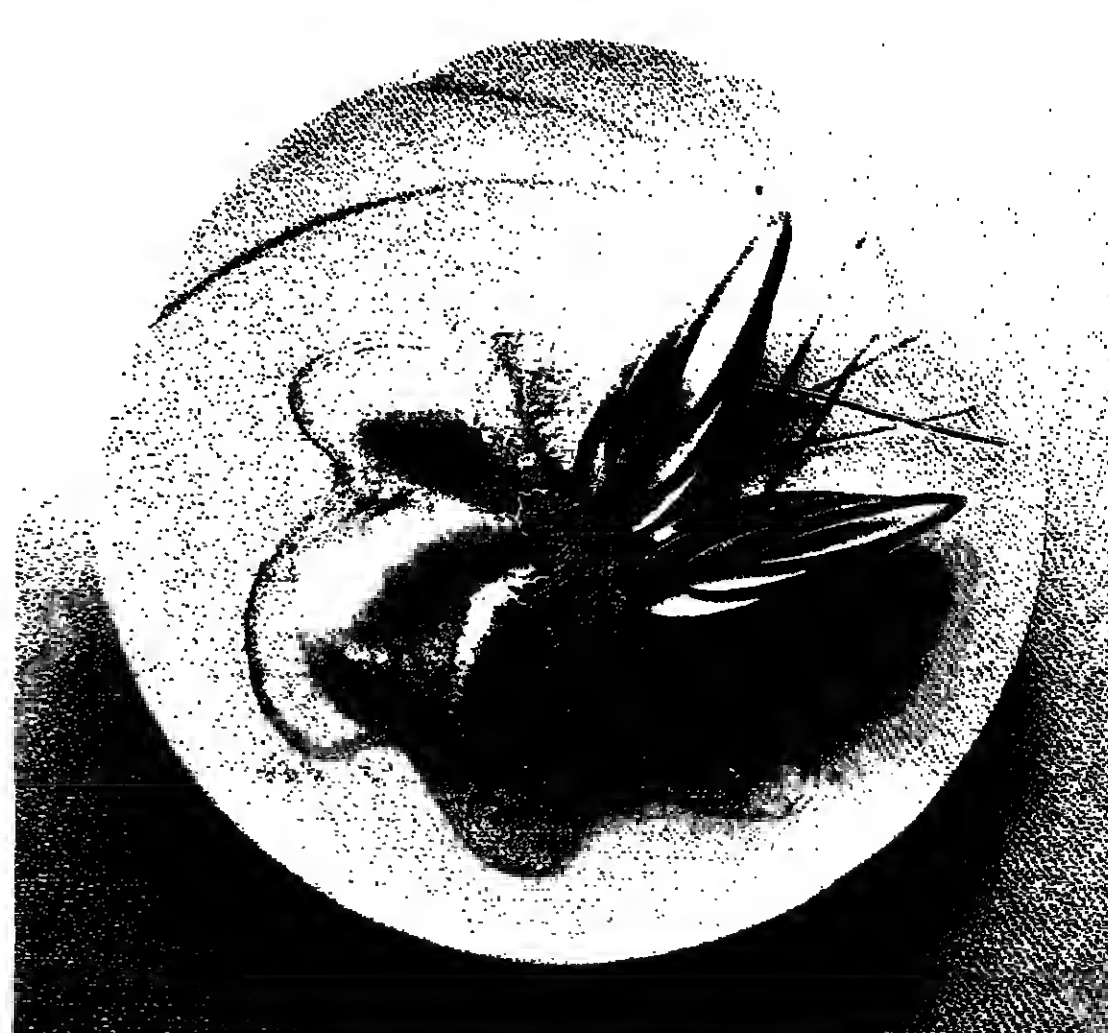
Chemical behemoth Akzo, headquartered in Arnhem, posted better-than-expected second-quarter earnings, which contributed to a first-half 1992 profit increase of 10.8 percent over a year ago to 424 million guilders. Management cited a better performance by the company's specialty chemicals and health care products divisions, as factors. Akzo also manufactures fibers, polymers, and coatings.

Other major Dutch concerns such as KLM Royal Dutch Airlines are also receiving positive assessments from the financial community, as is the overall vigor of the Amsterdam Stock Exchange, which lists the shares of roughly 300 domestic and 100 foreign companies.

PHILIP CRAWFORD is a Paris-based journalist, specializing in financial topics.



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SPORTS FOOTBALL

Redskins' Victory Over Lions Feels More Like Defeat

By Richard Justice

WASHINGTON — The Washington Redskins survived a long list of mistakes, including three interceptions by quarterback Mark Rypien, and defeated the Detroit Lions, 13-10. But it was one of those odd victories that came dressed up like a loss, talking like a loss and feeling like a loss.

NFL ROUNDUP

mood Sunday was somber and reflective, where Rypien said, yes, he deserved to be booed, as he frequently was, and where the Redskins' coach, Joe Gibbs, wore a tight, thin grimace.

In other games, The Associated Press reported:

Cowboys 31, Cardinals 20: Michael Irvin caught three touchdowns passes in Irving, Texas, and had a career-high 216 yards in receptions as Dallas beat Phoenix to remain undefeated.

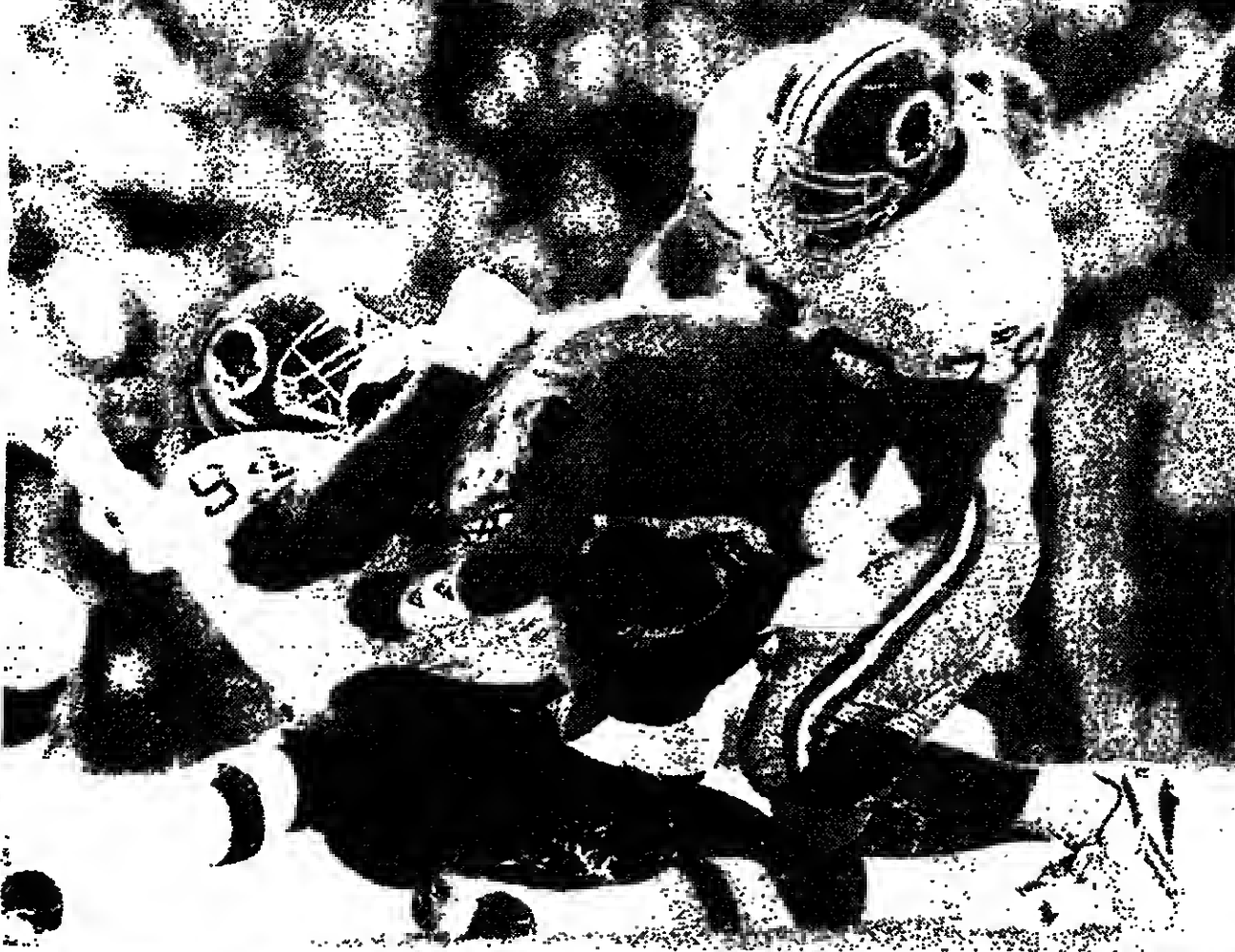
Phoenix suffered its 11th consecutive loss as Dallas headed to a week off with three victories over NFC East foes.

Emmitt Smith scored one touchdown and rushed for 112 yards on 26 carries, but the game belonged to Irvin, who missed all of training camp in a salary dispute. He caught scoring passes from Troy Aikman covering 87, 41 and 4 yards.

Bills 38, Colts 0: In Orchard Park, New York, Henry Jones returned interceptions 23 and 82 yards for touchdowns against Indianapolis as Bruce Smith rallied a Buffalo defense riddled for 598 yards the previous week by San Francisco.

Smith got 2.5 sacks, 7 unassisted tackles — 5 behind the line of scrimmage — and 4 assisted tackles.

Browns 28, Raiders 16: Eric Metcalf scored four touchdowns — three on passes from first-time starter Todd Philcox — as visiting Cleveland upset winless Los Angeles.



The Lions' Rodney Peete was sacked by Bobby Wilson, left, and Tim Johnson as defense saved the defending NFL champions.

coach in the Steelers' history to win his first three games.

Dolphins 26, Rams 10: Miami scored on its first three possessions to beat visiting Los Angeles.

Mark Higgs led the Dolphins with 111 yards rushing in 23 carries. Dan Marino threw two touchdowns passes, Pete Stoyanovich kicked four field goals and the defense forced four turnovers.

In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:

Oilers 23, Chiefs 20: Al Del Greco kicked three field goals in Houston, the last a 39-yarder in overtime that beat Kansas City.

Del Greco, who also had kicks of 31 and 54 yards, hit his 39-yard game-winner with 1:55 gone in overtime.

The Chiefs had forced the over-

time on Todd McNair's 4-yard run with 23 seconds left in the game. McNair ran four times for 29 yards and caught three passes for 24 yards in the tying drive.

Seahawks 10, Patriots 6: Seattle won the struggle of toothless offenses in Foxboro, Massachusetts, scoring on the game's first series and sacking New England's Hugh Miller six times.

Vikings 26, Buccaneers 20: Sean Salisbury, playing his first NFL game in five years, threw one of the two touchdowns passes caught by Minnesota's Kris Carter as visiting Tampa Bay lost for the first time.

Salisbury, a former CFL stand-out who never took a snap in his first two seasons with Minnesota, was 12 of 22 passing for 162 yards.

Packers 24, Bengals 23: Brett Favre, forced into the game by a first-quarter injury to Don Maj-

kowski, threw a 35-yard touchdown pass to Kitrick Taylor with 13 seconds left to give Green Bay its victory over Cincinnati.

NFL's Injuries Continue
Wide receiver John Taylor and defensive end Larry Roberts, both starters for the San Francisco 49ers, will miss much of the season after being hurt Sunday.

Also injured during the NFL's third week were three starting quarterbacks from teams in the NFC Central, including Vinny Testaverde, who had led Tampa Bay to a surprising 2-0 mark.

Testaverde's opponent, Rich Gannon of Minnesota, also left that game, while the Packers' Majkowski was hurt against Cincinnati.

Taylor, hit by three defenders on a 19-yard reception in the first

quarter against the New York Jets, has a broken fibula in his left leg that is expected to take at least eight weeks to heal.

Roberts tore ligaments in his right knee. He was to be re-evaluated Monday to see if surgery was required.

Ligaments in Majkowski's left ankle were damaged when he was sacked by Cincinnati lineman Tim Krumrie. He is expected to be out from one to four weeks.

Testaverde lost feeling in his right arm and hand when hit in the forearm while throwing a pass. Gannon left when his throwing hand was hit by a defender's helmet as he was passing.

Gannon's had a small chip in his wrist, but the Vikings said the injury was not serious enough to require a cast. Both he and Testaverde may be able to play next Sunday.

Maradona Meeting Now Set for Today

Compiled by Our Staff From Dispatches

ZURICH — Officials of the Italian club Napoli and FC Sevilla, the Spanish team the Argentine soccer star Diego Maradona wants to join, will meet Tuesday to discuss his future, the sport's governing body, FIFA, said Monday.

FIFA said it will host the meeting at its headquarters here. Also attending will be the Italian soccer association's president, Antonio Matarrese, whom FIFA has named as mediator, and the Spanish association's president, Maria Angel Villar.

The brief statement by FIFA did not say who would represent Napoli and Sevilla.

The announcement that FIFA had gotten both sides to the table followed a week of on-again, off-again reports and brinkmanship in efforts to arrange Maradona's transfer from Italy to Spain.

Napoli officials said Sunday they would not attend a meeting called for Monday, because Sevilla's offer of \$4.5 million was a decriary half of their asking price.

Then early Monday, Matarrese announced that he could not attend because of work commitments.

Italian news reports say Napoli has rejected Sevilla's offer of \$4.5 million for Maradona, 31. Unconfirmed reports have cited a much higher offer involving Sevilla, and an \$8 million bid from French champion Olympique Marseille.

Maradona's contract with Napoli runs through this season. But after finishing a 15-month suspension for cocaine use he has refused to report to the team. (AP, AFP)

60th minute of the match took place off the field and did not influence the outcome of the game.

However, a UEFA statement said the police had acted excessively. It particularly criticized the fact that some of the 250 police were masked.

UEFA fined both teams 15,000 Swiss francs (\$11,500). It said Bratislava should have informed UEFA that it was likely to be a high-risk game. Ferencvaros was penalized because of the team's history for fan violence.

UEFA said the two sides had until midnight Wednesday to appeal the fines.

After the match, Hungary demanded an official explanation of the police action, which one senior foreign ministry official deemed as an open political provocation. A foreign ministry spokesman warned it would result in a hostile atmosphere between Hungary and Slovakia, which plans to become independent of the Czechoslovak federation next year.

Bratislava, now the Slovak capital, was formerly the seat of the Hungarian Diet and Hungarians still call the city Pozsony.

Ferencvaros fans reportedly marched through the streets of the city before the game, singing the Hungarian national anthem and waving their country's flag.

Cantona to Rejoin France
Eric Cantona has agreed to rejoin France's national team for its World Cup Group 6 qualifying match against Austria next month. Agence France-Press reported.

The volatile winger, who now plays in the English Premier league for Leeds United, made the announcement after meeting with the French team's manager, Gerard Houllier, who flew to Britain in an effort to persuade Cantona to return to the national squad for the match in Paris on Oct. 14.

Cantona was unable to play for Leeds in Saturday's match in Southampton because of a leg injury.

Earlier this month, Cantona had said he would not play in France's opening World Cup qualifier in Bulgaria, because he did not feel emotionally ready.

France lost 2-0.

CHESS

By Robert Byrne

BOBBY FISCHER has taken up where he left off 20 years ago. In defeating Boris Spassky on Sept. 2, the maverick grandmaster was as relentlessly logical over the chessboard as ever.

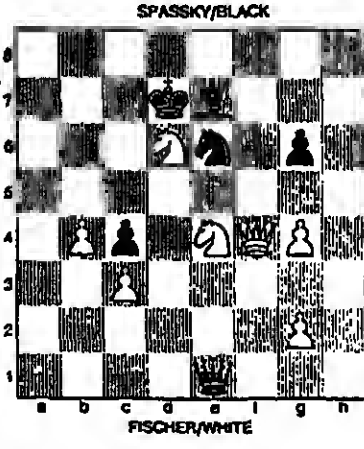
He put his finger on a weakness in Spassky's position and bore down on it with the massive force of two rooks, a queen and a knight. Mr. Spassky judged that he could not hold him off by routine defense and thus put his faith in a desperate sacrifice of a bishop.

Mr. Fischer showed his old coolness and his indomitable technique in suppressing the wild Spassky bid to fight back.

Mr. Fischer played his favorite Ruy Lopez opening and Mr. Spassky responded with the Breyer Defense, which he had used in game 10 of their 1972 title match. This is characterized by the knight repositioning 9...Nb8 10 d4 Nd7, which gives Black flexibility and clears the a8-e4 diagonal so that, after 11. Bb7, White will have to do down some pieces to keep his e4 pawn guarded.

Mr. Fischer had chosen 13 b4 in that game, but now he followed what Mr. Spassky favored when he had White: 13 Nf1 and 14 Ng2.

He feinted for a kingside attack with 15 Bg2 h6 16 Bd2, but then, as so often happens in the Ruy Lopez, he switched to queenside maneuvers with 17 a4 and 18 h4.



Mr. Fischer's 29 Nb1! created the powerful threat of 30 ab 31 Ra8 Ra8 32 Ra8 Qa8 33 Qa8 Ba8 34 Na3, winning a decisive pawn. Mr. Spassky, unable to sit and wait for that to happen, struck back by sacrificing a piece for two pawns and a powerful center with 29...Ne4!! 30 Be4 f3 31 Be2 Bd5.

He was sticking Mr. Fischer with the technical problem of how to exploit such a small material advantage. With the thrust 36 g4!, Mr. Fischer was trying to gain maneuvering space on the kingside. The grandmaster Maxim Dlugy of Englewood, New Jersey, praised 36 g4 and judged that White's winning chances were good. L.B.M.'s Deep Thought II, the world's premier chess computer, valued

Mr. Fischer's chess position as a decisive pawn more than Mr. Spassky's. To break down Mr. Spassky's resistance, Mr. Fischer returned his piece with 39 Bf4! (e maybe 39... Bf3 was a better defense) to press an attack with 40 Nh4! Now, 40...Nf8 might have been tried, but 41 Qd4 Ke6 42 Ng6! Ng6 43 Bf5 Kf7 44 Qd5 Kg7 45 Ne4 is very strong for White.

On 42 Nf5!, 42...e7 allows 43 Bf5 mate, while 42...Bf6 allows 43 Qd6 mate. Mr. Spassky played 49...Ne6, but, seeing 50 Qe5! Qd1 (50... Bde 51 Nf6 drops the queen) 51 Qe5 Kd8 52 Qb8 Kd7 53 Qe8 mate, he gave up.

Table with chess notation and player names: RUY LOPEZ, White Fischer, Black Spassky, White Spassky, Black Fischer.

BOOKS

THE POWER HOUSE
By Susan B. Trento. 430 pages. \$24.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, New York 10010.

Reviewed by Gary Lee

WASHINGTON'S most famous lobbyist and power broker for a generation, Robert Keith Gray remains the kind of public personality about whom the public knows very little. Outgoing Washington manager of the Hill and Knowlton public relations empire, he is lodged in the mind as a polisher of tarnished images, Republican schmoozer and society column regular.

Buoyed by a friendship with Ronald Reagan, Gray was particularly prominent in the past decade, when he was hired to promote every big event from the 1991 presidential inaugural to the 1991 Gulf war. But exactly how he got there — and what he really does — have always been clouded in a rush of press releases and P.R. hoopla.

"The Power House" solves much of the mystery about Gray, who is now 67. Author Susan Trento provides the most in-depth look to date behind the closed doors at Hill and Knowlton, as well as Gray and Company, a public relations firm Gray founded and managed earlier.

A former chief aide to New Jersey congressman Harold Hollenbrook, Trento discusses how Gray maneuvered his way through Washington's corridors of power when he has trod the same turf.

Her details about how Gray schmoozed clients and what he did — or did not do — for them are vivid. There are stories of Gray throwing dairy dinner parties for the campaign boss Jackie Presser, defending the Haitian dictator Baby Doc Duvalier, and trying to brush up the image of the scandal-ridden Bank of Commerce and Credit International.

Already publicized exposés of Gray's exploits, such as his bungled attempt to help finance the opposition party in Spain, are illuminated further here. Trento delves deep into Gray's personal life. Trento also explains why earlier portraits of Gray are incomplete or skewed. As a promoter, Gray was his own best client and he apparently worked hard at manipulating portraits.

When a journalist came calling, one of his techniques was to arrange for a secretary to interrupt and announce that he had a call from the White House. As the bedazzled interviewer sat taking notes, Gray held a dead telephone to his ear, pretending to chat with an administration official.

Besides his habit of self promotion, there is a lot that is disturbing about Gray's methods. Employed excessively, they have cost Hill and Knowlton, and particularly its Washington office, dearly. Between 1990 and 1992, the firm has lost a flood of clients and staff members and a notch on the rung of prestige.

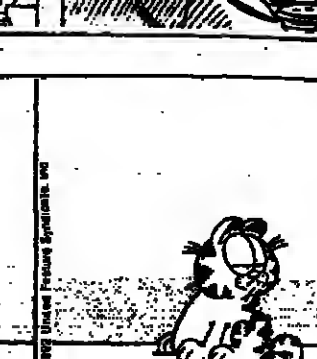
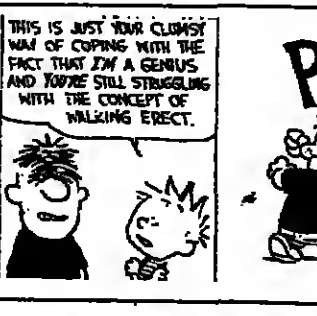
Since the release of "The Power House," Gray has been replaced as Washington manager.

Gary Lee covers lobbying and public relations for the national desk of The Washington Post.

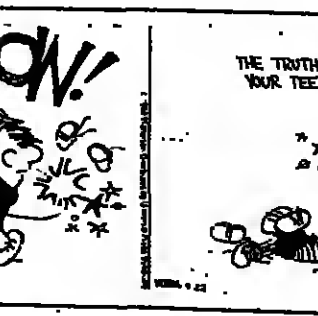
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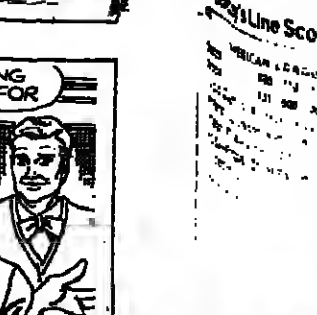
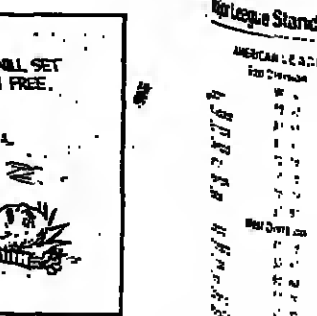
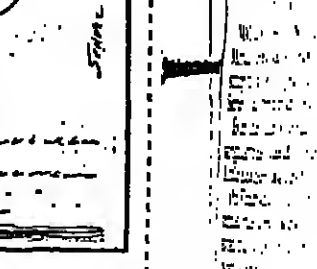
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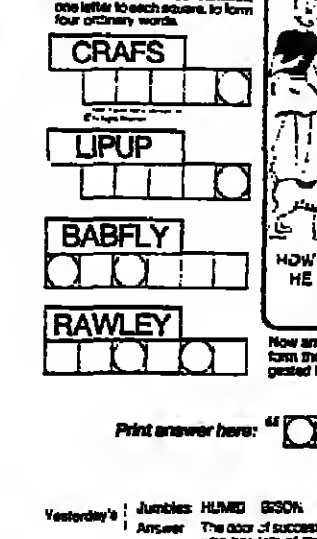
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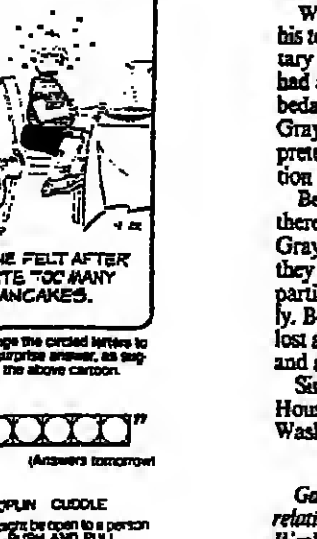
DENNIS THE MENACE



JUMBLE



GARFIELD



SPO Triple Play Banks With Blue Moon

Nipinos R

KOREBOARD

League Standings

AMERICAN LEAGUE

ALBANY

ALBANY

ALBANY

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SPORTS BASEBALL

Triple Play? Three-Times-Lucky Pirates Brush Off Triple Play to Win

Triple Play? Ranks With Blue Moons

The Associated Press

PITTSBURGH — An unassisted triple play is among the rarest feats in baseball.

For example, a major leaguer has hit four homers in a game nine times, and there have been 11 completely perfect games pitched in history.

But when Mickey Morandini of the Phillies got his massisted triple play Sunday, it was just the fourth in the National League, just the ninth in major league history and the first by a second baseman in a regular season game.

It was the first unassisted triple play in the majors since shortstop Ron Hansen of the Washington Senators got one in Cleveland on July 30, 1968, and the first in the NL since shortstop Jimmy Cooney of the Chicago Cubs got the three outs by himself in Pittsburgh on May 30, 1927.

Just like the other eight unassisted triple plays in major league history, Morandini turned his with runners on first and second.

The only other unassisted triple play by a major league second baseman came in Game 5 of the 1920 World Series, by Bill Wambach of the Cleveland Indians against the Brooklyn Dodgers on Oct. 10, 1920.

There have been four unassisted triple plays in the American League, all involving the Indians. There have been four in the National League — and Art McKenman, the Pirates' stadium announcer for Sunday games, has seen three.

In the NL's last unassisted triple play, Hall of Famer Paul Waner hit a line drive that Cooney caught. He stepped on second to double off Lloyd Waner, Paul's Hall of Famer brother, and made a tag to complete the play.

McKenman was working the Forbes Field scoreboard that day.

Two years before, on May 7, 1925, McKenman had seen Pittsburgh shortstop Glenn Wright turn a triple play in the ninth inning against St. Louis — with Cooney as one of the runners.

"I've seen three unassisted triple plays, Kiki Cuyler's double to win the '25 Series for the Pirates against the Washington Senators, Bill Mazeroski's homer in '61," McKenman said. "I've seen so much history, I feel like a dinosaur."

The Associated Press

Not even Mickey Morandini's unassisted triple play could stop the Pittsburgh Pirates from moving closer to their own triple crown: three consecutive National League East championships.

Jeff King hit a liner that Morandini turned into the ninth unassisted triple play in major league history, but later singled home the winning run in the 13th inning Sunday as the Pirates beat the Philadelphia Phillies, 3-2.

That gave the Pirates a six-game lead in the NL East as they won for the sixth time in seven games.

With the score tied at 1, Andy Van Slyke and Barry Bonds singled in the sixth. The runners were going on a 3-2 pitch and King hit a liner up the middle

that Morandini speared by diving to his right.

He got to his feet and, with Van Slyke nearly to third base, stepped on second base for out No. 2. Morandini then tagged Bonds, who was standing on second base.

NATIONAL LEAGUE

That was the first triple play in the NL since shortstop Jimmy Cooney of the Chicago Cubs got one in Pittsburgh on May 30, 1927.

"I felt lousy about it," King said. "Then I happened to look at the scoreboard and saw it was the first time it had happened since 1927, and I really felt lousy."

The 21,652 fans sat silent for several moments, not realizing what had happened. Neither did Morandini, fully.

Several of his teammates shook his hand as he reached the dugout, but the second baseman, who had made history before 15 friends and family members from nearby Leechburg, Pennsylvania, merely walked to the water cooler to get a drink.

King had thought to save his historical ball for the Hall of Fame. It had been casually dropped on the pitchers' mound as he trotted to the dugout.

"That was stupid on my part," he said later. "It was probably hit as a foul ball to some fan."

Seven innings later, King won the game for the Pirates.

Cecil Eddy walked to start the 13th. Jay Bell sacrificed, Van Slyke flied out and Bonds was walked intentionally. King then sliced a sinking liner to right-

center off Keith Shepherd that easily scored Espy.

Giants 3, Dodgers 2: In San Francisco, Matt Williams' bases-loaded single with two outs in the ninth capped a two-run rally against Los Angeles.

Willie McGee tied it with an infield single and advanced to second on third baseman Mike Sharperson's throwing error. Will Clark was walked intentionally and Darren Lewis reached on reliever Roger McDowell's error to lead the bases for Williams.

The game concluded the season series between the teams: the Giants, who closed out San Francisco for St. Petersburg, Florida, after the season, holding an 11-7 advantage. The Dodgers hold a 329-314 edge since the two clubs moved to the West Coast in 1958.

Mets 1, Expos 0: Sid Fernandez pitched a five-hitter and struck out 10 in beating Ken Hill of Montreal, who had shut out the Mets in his previous two starts against them this season.

The Mets scored in the second when Jeff Kent led off with a single, moved to third on Dick Schofield's hit-and-run single and came home on rookie Ryan Thompson's bloop single to right.

Braves 16, Astros 1: Atlanta, playing at home against Houston, maintained a 75-game lead in the West and matched a club record by becoming the first team in six years to hit four home runs in an

inning. David Justice, Brian Hunter and Ron Gant hit consecutive home runs in the seven-run sixth off Al Osuna, and Mark Lemke homered one out later off Rich Scheid.

Steve Avery won for the first time in seven starts since Aug. 15 as Atlanta set a season high for runs and stopped Houston's five-game winning streak.

Reds 6, Padres 1: Dave Martinez hit a two-run homer in Cincinnati and Tim Belcher struck out a career-high 13 against San Diego.

Cardinals 16, Cubs 4: Stan Rover hit his first major league homer, and drove in four runs, and Geromino Pena's three-run double capped a six-run first for St. Louis Cardinals, which got 22 hits in Chicago.



Greg Vaughn slid into second, before the throw from catcher Chris Hoiler reached Bill Ripken, for one of the Brewers' four thefts.

Crime (4 Stolen Bases) Pays As Brewers Topple Orioles

The Associated Press

The Milwaukee Brewers are making a run in the American League East after stealing another game from the Baltimore Orioles.

The Brewers, leading the majors with 232 stolen bases, stole four to drive the visiting Orioles dizzy on the bases Sunday in a 9-3 victory that put Milwaukee four games behind division-leading Toronto.

Paul Molitor doubled twice and Kevin Seitzer singled twice during an eight-run sixth, it was two delayed double steals that keyed the Brewers' big inning.

"That's Brewer ball for you right there," said their manager, Phil Garner. "We had some unusual things happen on the basepaths, but that's what we do. We run, we do some unusual things and put pressure on you. It was a super inning."

The Brewers have won four in a row and eight in nine. They won the first three games against Baltimore in a series that was to end Monday night in Comby Stadium.

The Orioles have fallen 5 1/2 games behind Toronto. Baltimore Tuesday night against the Blue Jays. Milwaukee, which does not play Toronto again this season, will be at home against California.

The Orioles' starter, Craig Leferts, took a 3-0 lead into the sixth, but Seitzer led off with a single, Molitor doubled, and reliever Storm Davis allowed two runs to score.

Pinch-hitter Darryl Hamilton's RBI single off Jim Poole tied it, and B. J. Surhoff's RBI single put Milwaukee ahead. Another single by Seitzer and another double by Molitor capped the inning.

"Things snowballed," said the Orioles' manager, Johnny Oates. "We didn't get anybody out and we didn't execute defensively. It was not a pretty inning."

Athletics 4, Mariners 2: Dave Stewart pitched seven strong innings in Seattle and Oakland won for the 11th time in 12 games, cutting its magic number for clinching the AL West to five.

Erk Hanson retired the first two

batters of the game and seemed to be out of the first inning when Ruben Sierra lifted a high fly to right-center. But outfielders Ken Griffey Jr. and Jay Buhner let the

AMERICAN LEAGUE

ball for in for a triple, then Harold Baines, Mark McGwire, Carney Lansford, Terry Steinbach and Mike Bordick followed with singles, putting Oakland ahead 3-0.

Dennis Eckersley got his career-high 49th save, in 51 chances, by pitching the ninth.

Twins 7, Angels 5: Kirby Puckett doubled to tie the tying run and scored on Brian Harper's double in the ninth as Minnesota won in Anaheim, California.

The Twins rallied after California rookie pitcher Damon Easley hit a three-run homer in the eighth for a 5-4 lead. It was Easley's first major league home run.

In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:

Rangers 7, Blue Jays 5: David

Hulse went 3-for-5 with two home runs, one RBI, a run scored and a game-saving catch in Toronto as Texas held on to end the East leaders' three-game winning streak.

Red Sox 5, Tigers 4: John Valentin drove in three runs and broke a seventh-inning tie with a bases-empty homer as Boston won in Detroit.

Yankees 10, Royals 4: Don Mattingly's two-run double capped a three-run seventh and Roberto Kelly hit a three-run double during a five-run eighth in Kansas City that allowed New York to halt a six-game losing streak.

George Brent had two hits for the Royals, leaving him 11 short of 3,000.

White Sox 10, Indians 8: Bobby Thigpen, at 29, became the youngest pitcher to reach 200 saves and Ron Karkovic drove in four runs, two with a homer to the fifth, as Chicago won in Cleveland.

Thigpen got four outs for his 22d save of the season, joining 13 other relievers with 200 career saves. Bruce Sutter, Lee Smith and John Franco accomplished it at age 30.

Filipinos React Angrily to Having Lost Title

The Associated Press

MANILA — Angry commentators on Monday denounced the Little League for stripping a Filipino team of the World Series title, branding it a racist move.

Even the newspaper that first reported irregularities said the basic with which the Little League acted reflected "arrogance."

On Thursday, Little League Baseball International revoked the title won by a team from the southern Philippine city of Zamboanga and gave it to the team from Long Beach, California. That appeared to have opened old wounds in sensitive U.S.-Philippine relations, which date to the American takeover of the islands in 1898.

Zamboanga beat Long Beach, 15-4, in the final. But officials acknowledged later

that only six of the 14 players were from Zamboanga, with others coming from teams more than 800 kilometers (500 miles) away.

District administrator Armando Andaya, who resigned his post Thursday, said he authorized the replacements for "justifiable reasons," but did not elaborate.

The Philippine Daily Inquirer reported the wholesale changes in the roster one day before the title was withdrawn. Earlier, it published allegations that some of the players were over the regulation age of 12.

In an editorial Monday, the newspaper said Filipino officials must bear most of the responsibility for the fiasco. But it added: "We wonder if those authorities would have shown the same efficiency if the

champions had happened to be one of their own."

It cited American complaints about cheating in the Barcelona Olympics as an example of "an arrogance that the Americans showed to the world" and said that Americans "scrounged for a way to get back at their conquerors."

The Inquirer said Sunday that its Zamboanga correspondent, Armando Nocum, had been threatened by the father of one player and that a radio commentator had called for his public hanging.

Most Philippine newspapers accepted Andaya's explanation that his move was according to the rules, although Little League officials said it was not.

"U.S. officials, chafing from a brown

victory," wrote the Philippine Daily Globe, "stripped our little boys of the title without asking for our side of the controversy."

Max Soliven, publisher of The Philippine Star, urged President Fidel Ramos to issue a strong statement supporting the team, which he welcomed back from the United States during a televised ceremony.

"It's pathetic the way we continue to be treated abroad for the simple reason that we are too patient and polite," Soliven wrote. "In the case of the Little League doublecross, let's raise a howl."

Ramos called the controversy "unfortunate," but added that it should not shame the young players.

He said the team members could keep the 1 million pesos (\$400,000) he gave them after the competition. He also ordered the Philippine Sports Commission "to ensure strict compliance by coaches to international regulations."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Toronto	63	30	.678
Milwaukee	52	44	.539
Baltimore	51	47	.517
Cleveland	47	50	.484
Detroit	46	51	.474
New York	45	52	.463
Boston	42	55	.432

NATIONAL LEAGUE			
Team	W	L	Pct.
Pittsburgh	38	21	.645
Montreal	32	47	.500
St. Louis	27	52	.340
Chicago	24	55	.301
New York	21	58	.263
Philadelphia	19	60	.238

Sunday's Line Scores

Team	W	L	Pct.
Boston	9	10	.476
Detroit	8	11	.420
Vladimir Guerrero (1), Harris (1), Posner (1) and Pineda (1) out; Kiley (1) and Kruener, Tetterton (1), W. Vito, 12-L. Outlines; 14-7, 3-0-Foxes; 12-L. HR—Benson, Cooney (1), Valentin (1).			

BASKETBALL

National Basketball Association

CHICAGO—Traded Byron Houston, forward, to Golden State. Acquired Rodney McCrow, forward, from Dallas.

DALLAS—Traded Rodney McCrow, forward, to Chicago. Acquired 1993 first-round pick from Golden State.

NEW ENGLAND—Released Scott Lockwood, running back, off waivers from New England.

MIAMI—Put Reggie Roby, punter, on injured reserve. Signed Joe Prothro, punter.

NEW ENGLAND—Released Scott Lockwood, running back, off waivers from New England.

PITTSBURGH—Traded Thomas Everett, safety, to Dallas for undrafted draft pick.

National Hockey League

PITTSBURGH—Signed Jaromir Jaur, right wing, to multi-year contract.

TORONTO—Released Brent Truchon, John Gustin and Dave Schill, goalie; Mike Delvecchio, Chris O'Connell and David Burris, defensemen; and Jeff Raitt and Les Giffin, forwards. Returned Nathan Denney, defenseman, to Regina, Western Hockey League, and Ryan VanDerBurgh, defenseman, in Newmarket, Ontario Hockey League.

FOOTBALL

NFL Standings

AMERICAN CONFERENCE			
Team	W	L	T
Buffalo	3	0	0
Atlanta	2	0	0
Indianapolis	1	2	0
New England	0	2	0
N.Y. Jets	0	3	0

NATIONAL CONFERENCE			
Team	W	L	T
Pittsburgh	3	0	0
Cincinnati	2	1	0
Houston	1	2	0
Cleveland	1	2	0

TRANSACTIONS

BASEBALL

N.Y. YANKEES—Recalled J.T. Snow, first baseman; Hensley Meulens, third baseman; Dave Silvers, shortstop, and Jeff Johnson, pitcher, from Columbus, International League.

NATIONAL LEAGUE

ATLANTA—Put Greg Oden, catcher, on 15-day disabled list. Recalled Paul Gaitanaris, pitcher, from Richmond, IL.

CHICAGO—Waived Jeff Kunkel, infielder, to give him unconditional release. Bought contract # Jesse Hall, pitcher, from Charlotte, Southern League. Recalled Gary Scott, infielder, from Iowa, American Association.

THE AP TOP 25

With first-place votes in parentheses, records through Sept. 19. Total points based on 25 points for a first-place vote through one point for a 25th place vote, and no points for the 26th place vote.

Rank	Team	Record	Pts
1	Atlanta (4)	9-4	126
2	Washington (15)	3-4	149
3	Florida St. (2)	3-4	146
4	Texas A&M (11)	4-4	125
5	North Carolina	3-4	121
6	Tennessee	3-4	118
7	Alabama (1)	3-4	115
8	Virginia Tech	3-4	111
9	Ohio State	3-4	108
10	Arizona	3-4	107
11	UCLA	3-4	106
12	Ohio State	3-4	105
13	Virginia	3-4	104
14	Nebraska	3-4	102
15	Clemson	3-4	101
16	Syracuse	3-4	100
17	Georgia	3-4	99
18	Stanford	3-4	98
19	Oklahoma	3-4	97
20	Old Dominion	3-4	96
21	San Diego St.	3-4	95
22	San Jose St.	3-4	94
23	California St.	3-4	93
24	Kansas	3-4	92
25	Boatman College	3-4	91

Chinese Man Killed in Rally Crash

HAMI, China (AP) — A member of the Chinese organizing team for the Paris-Moscow-Beijing Rally, Ye Qikang, was killed Monday night when the car in which he was riding hit a parked truck at high speed.

Meanwhile, Japanese driver Kenjiro Shimozuka saw his chances of victory almost vanish when his Mitsubishi's battery failed and he lost more than an hour on the race's leader, Pierre Larigue, the Frenchman driving a Citroen.

Shimozuka dropped to fourth overall, with Mitsubishi teammates Erwin Weber of Germany and Bruno Saby of France overtaking him.

For the Record

Maken Jorgensen, 17, of Denmark was in "very critical" after crashing into a parked truck during a road race Sunday in the world junior cycling championships in Athens. Police said she was stuck in the lip by a bee and lost control of her bike. A Japanese cyclist, Nopriaki Shirasaka, 16, had been killed 10 days earlier after hitting a car during training.

David Frost won the Hardee's Golf Classic in Coal Valley, Illinois, by three strokes over Tom Lehman and Loren Roberts.

Raymond Floyd won the GTE North Classic in Indianapolis, becoming the first to win tournaments on the PGA Tour and Senior Tour in the same year.

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CZECHOSLOVAKIA	00-00-0001	IRELAND	01-0011	SPAIN	900-99-30-11
DENMARK	800-000	ISRAEL	1-800-550-000	SWEDEN	070-70-61
FINLAND	00-00-000	ISRAEL	1-800-550-000	SWITZERLAND	05-70-85-11
HONG KONG	000-00-00	JAPAN	1-800-222	TAIWAN	00-00-000
INDONESIA	000-00-00	NETHERLANDS	000-00-00	UNITED KINGDOM	000-00-00

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ART BUCHWALD

Par for the Crisis

WASHINGTON — It's one thing to wring your hands about the problems of our time, but it's another to have a solution to them. Having studied the monetary crisis, the education disaster, the unemployment catastrophe and the political calamities of the recent years, I have come to the conclusion that the brains of the United States are not paying any attention to what is going on.



Buchwald

Where are the people who could solve our pressing problems? The answer is that everyone who could make a contribution to getting us out of the pit is off somewhere playing golf.

A Smash Opening For Allen's Film

LOS ANGELES — "Husbands and Wives" had the biggest ever debut for a Woody Allen film as moviegoers looked for tantalizing parallels between the director's life and art. The dark comedy about a failing marriage earned an estimated \$3.5 million for fourth place at the weekend box office, the movie's distributor, TriStar Pictures, and industry sources said.

man and a first-string basketball player from the Lakers. "How can he play golf when he's about to drown?" I yelled. "I don't know," the receptionist replied. "You ought to ask our financial vice president."

"Where is he?" "He's out playing golf with the sales manager."

"Isn't Mr. Wolper aware of the crisis his firm faces?" "Oh, I'm sure he is. I heard him say many times that when the going gets tough and the jackals are at his heels, there's nothing that gives him more pleasure than whacking a little white ball to hell and beyond over a smooth green fairway."

I found my friend at the Bel Air Country Club on the 13th hole. "Wolper, Wolper, the sky is falling."

"It can't be," he said. "If it was, everyone out here would know about it. There are politicians, businessmen, educators and professionals on the course, and it's only 2 o'clock in the afternoon."

"Wolper, the leaders of the country have to quit playing golf until we get the economy back on its feet."

"Are you crazy? How are we going to relax if we spend all our time working on dumb problems? It isn't our job to cure everyone's ills — our job is to get that little ball in the cup."

"Well, I intend to lead a movement to close down every golf course in this land until you get to work and save America," I declared.

Wolper realized that I was serious and said, "Are you out of your mind? You can't keep educated, well-to-do professional people from indulging in golf."

"Just you wait and see. Your days of wine and roses are over. Strolling down the fairway is no longer the solution to a trillion-dollar deficit. Besides, everyone knows that the only reason you play golf is to get away from your wives."

I never saw Wolper so mad. "What will you do with the golf courses once you close them down?"

"I thought of turning them into Sculpin bases — one Sculpin for each hole."

Wolper pounded his putter into the ground and said, "Over my dead body."

Miss America, Regular '90s Gal

By Cathy Horyn

ATLANTIC CITY, New Jersey — Leanza Cornett — AIDS activist, sorority sister, performing mermaid, sushi maker and so-so student — may just turn out to be the ultimate example of the '90s kind of gal. The new Miss America appeared before the press, and, well, she was just so normal, natural and nice that after about 20 minutes of the usual pageant questions, the media dogs just rolled over and seemed to die.

"I think the wonderful thing about the '90s woman is that she can be whatever she wants to be, and more power to me!" said Cornett, who has blue eyes and brown hair and is 5 feet 3 inches in her stocking feet, though she had on royal blue heels and a matching suit for the press conference.

This line was uttered in the most disarming way, believe it or not, and when the former Miss Florida was asked about the importance of "platform issues" in the pageant, she shot back: "I'm certainly not up here singing for you right now."

As it happens, Cornett's main issue — and she speaks passionately on it, having seen young friends die — is AIDS awareness. Her taken number, "A New Life," was dedicated to colleagues in the theater community who are living with HIV.

Cornett, 21, plans to speak about AIDS in small-town schools and churches. "We have to bring a little bit of lightness into it," she said of AIDS education. "It's such a heavy, heavy thing to deal with."

Sooner or later, of course, someone wanted her position on abortion. "I'm a Christian who's pro-choice. How's that?"

Cornett was generally so swift on her feet that when someone asked the favorite bimbo-beating question — "What's your grade point average?" — she said "2.8" with such nonchalance that everyone in the room laughed and nodded as if to say, "All right!" Not even the revelation of this unimpressive statistic (Cornett is a sophomore at Rollins College in Winter Park, Florida) could unsettle the new queen.

"Isn't she natural?" a reporter whispered to another. "Very real."

"Mmm. And articulate — I mean, in a natural way."

The fact may be that Cornett, the only child of parents who own a Jacksonville-based fast-food chain called Gyro Wrap, is what the pageant has needed all along. Not a brain but not a bimbo. Articulate but not rehearsed. "We've been looking for someone like Leanza," said her mother, Patti, who came up to Atlantic City with her husband, Richard, and several dozen nieces, nephews, cousins and grandparents, who waved neon "Little Mermaid" wands



Carolyn Sapp, Miss America '92, crowns Leanza Cornett as Miss America 1993.

throughout the pageant. "She's always been very confident — just herself."

Besides acting in small theaters, Cornett more recently has been playing Ariel from Disney's "The Little Mermaid" at Disney-MGM Studios in Orlando.

If there was any meaning to be done this year about the pageant, it was that a lot of the contestants seemed overly coached and, at least in front of the judges and media, incapable of a spontaneous comeback. Pam McKelvey, Miss Kansas and the third runner-up, was an exception. In fact, some members of the audience said they felt that host Regis Philbin was inadvertently helping her, simply because they were hearing so many good lines back and forth. Still, there wasn't a whole lot of bandied repartee among the ranks of would-be lawyers, graduate students and vocalists.

So maybe Leanza Cornett represents the statistical, political and emotional middle of the pageant road. She is Miss America. "She's cute," said Adell Weidman, a Philadelphia tourist standing on the Boardwalk with her husband, Oscar, while Cornett was being photographed after her press conference. "She's not too glamorous. I like that."

Breaking a post-pageant tradition, Miss America did not jump on the beach at the crack of dawn Sunday as previous winners have for the grumbling horde of photographers. The photographers didn't know why. Patti Cornett said she didn't know why (though her daughter did not go to sleep until 5 A.M. after her crowning Saturday night) and a pageant official said, unhelpfully, "We just didn't." However, Cornett did do some surf shots later in the afternoon and posed next to her brand-new Corvette on the Boardwalk.

PEOPLE Gumbel's 'Locker Room'

The "Today" co-host Bryant Gumbel turned the show into a "wicked locker room" where women were not welcome, according to the former "Today" talent coordinator Judy Kessler. In a book, "Inside Today: The Battle for the Morning," due out later this month, Kessler says Gumbel made sexual comments about female coworkers and generally showed contempt toward women working on the show. To unwind, Gumbel liked scaring women, the book says. "He would grab a dead mouse ... and he would run around waving it in women's faces. This offstage Bryant Gumbel was at odds with the persona millions of viewers saw."

Two New Orleans thieves realized too late that they'd picked the wrong couple to hold up. After taking a purse from a woman at gunpoint, her companion, District Attorney Harry Connick, said to them: "I'm the district attorney. I don't think you want to do this." The pair tried to flee, but Connick spotted a police officer and they chased down one of the suspects. Two other officers nabbed the second thief. Connick is the father of the singer Harry Connick Jr.

As Beatrice Welles-Smith, the youngest of Orson Welles's three daughters, sees it, the attention given her film "Orpheus" is overdue — by four decades. "Finally, people are taking notice," she said in Las Vegas. "This movie has been totally ignored for almost 40 years." She leaves Tuesday for Morocco, where, at the invitation of King Hassan II, she will be honored during festivities celebrating her father's work. Accompanying her are Suzanne Cluier, who played Desdemona in the film.

Oscar winner Marlee Matlin and actor John Lithgow were among celebrities who joined about 17,000 people in a walk through Hollywood that raised more than \$3 million in pledges to help fight AIDS.

Garfield's creator Jim Davis said he is determined to raise the \$3.8 million his childhood idol, Mort Walker, the creator of Beanie Baby, needs to build the International Museum of Cartoon Art in Boca

Raton, Florida. Said Davis: "This is a real good cause." He added, "I call it an art form. It's purely American; we invented it." The museum is set to open in 1995.

Jack Nicholson has been fitted for a younger man, according to People magazine. In its latest issue, it says that Nicholson's girlfriend of four years, Rebecca Broussard, 29, has left him for an unidentified actor because Nicholson, 55, wouldn't marry her. Nicholson wouldn't marry her, Nicholson bought a house near his Los Angeles home. He had extolled his happiness with his young family but never lived with Broussard.

The rock band U2 wants to repay the White House's telephone operators for tolerating lead singer Bono's nightly calls from the concert stage. Bono has made the attempt to call President George Bush a part of the Irish group's high-tech "Zoo TV" tour. So the band has sent a formal invitation to the White House asking the operators to come to a show Wednesday in Columbia, South Carolina, and offered the use of the band's tour plane to boot. "I've started feeding like I know some of these ladies," Bono said.

Mel Gibson, making his debut as a director, set the town of Brunswick, Maine, back a couple of years when he put out a casting call for extras dressed in 1970s garb for his movie "Man Without a Face." "Polyester was king," said Tanya Walsh of Los Angeles, who works in wardrobe for the film. A scene to be shot at Bowdoin College depicts a military graduation ceremony in the 1970s. The unpaid extras will fill the bleachers for the scene.

Maynard Ferguson said he recently declined to add his trumpet to a rapper's song. "You could say (the lyrics) had mostly to do with interpersonal relationships between men and women while doing one-night stands on the road, I guess, as a rap band," he said. Ferguson, who was playing in Yakima, Washington, said he doesn't oppose rap as a musical form. "But this was down there," he said. "I doubt you'll hear too much of our music on that." He wouldn't name the rapper.

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